

SENATE

WEDNESDAY, MAY 27, 1942

(Legislative day of Tuesday, May 26, 1942)

The Senate met at 12 o'clock noon, on the expiration of the recess.

The Reverend Clarence E. Wise, D. D., minister of the Wesley Methodist Church, Washington, D. C., offered the following prayer:

Almighty God, our Heavenly Father, we pause upon the threshold of our assembly this day to ask that Thy divine blessing may rest upon us. We are Thy servants, to whom Thou hast committed great trust and responsibility. In our deliberations and decisions we are deeply conscious of our need of Thy wisdom and Thy grace in these crucial days through which we are passing. We pray Thee, gracious Father, therefore, to accept us and our service. And in the performance of our public duty, crown us with courageous perseverance in the doing of that which is right in Thy sight, that we may seek the everlasting good of our Republic and merit the esteem of our fellow countrymen. These favors we ask in the name of our great Elder Brother, even Jesus Christ the Righteous. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar Tuesday, May 26, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed without amendment the bill (S. 2305) to relieve disbursing and certifying officers of the United States of responsibility for overpayments made on transportation accounts under certain circumstances.

The message also announced that the House had passed the bill (S. 2250) to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes, with an amendment in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bill and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 6315. An act to extend for 2 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans;

H. J. Res. 310. Joint resolution to authorize the Federal Bureau of Investigation of the Department of Justice, the Military Intelligence Division of the War Department, and the Office of Naval Intelligence of the Navy Department in the conduct of certain investi-

gations in the interest of prosecution of the war, to make use of intercepted communications without regard to the limitations contained in section 605 of the Communications Act of 1934 (48 Stat. 1103), and for other purposes; and

H. J. Res. 316. Joint resolution making an additional appropriation for the fiscal year 1942 for the training and education of defense workers.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	O'Daniel
Andrews	Glass	O'Mahoney
Austin	Green	Pepper
Bailey	Gurney	Radcliffe
Ball	Hatch	Reynolds
Bankhead	Hayden	Rosler
Barbour	Herring	Schwartz
Barkley	Hill	Shipstead
Bilbo	Holman	Smathers
Bone	Hughes	Smith
Brown	Johnson, Calif.	Spencer
Bulow	Johnson, Colo.	Taft
Burton	Kilgore	Thomas, Okla.
Byrd	La Follette	Truman
Capper	Langer	Tunnell
Caraway	Lucas	Tydings
Chavez	McCarran	Vandenberg
Clark, Idaho	McFarland	Van Nuys
Clark, Mo.	McNary	Wagner
Connally	Maloney	Walsh
Danaher	Maybank	Wheeler
Davis	Mead	White
Doxey	Millikin	Wiley
Ellender	Murdock	Willis
George	Norris	
Gerry	Nye	

Mr. HILL. I announce that the Senator from Louisiana [Mr. OVERTON] is absent from the Senate because of illness.

The Senator from California [Mr. DOWNEY] is detained on official business in his State.

The Senator from Nevada [Mr. BUNKER], the Senator from Kentucky [Mr. CHANDLER], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Oklahoma [Mr. LEE], the Senators from Tennessee [Mr. McKELLAR and Mr. STEWART], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], the Senator from Utah [Mr. THOMAS], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES] is absent as a result of an injury and illness.

The Senator from Illinois [Mr. BROOKS] is unavoidably absent.

The Senator from Maine [Mr. BREWSTER], the Senator from Nebraska [Mr. BUTLER], the Senator from Massachusetts [Mr. LODGE], the Senator from Kansas [Mr. REED], and the Senator from Idaho [Mr. THOMAS] are necessarily absent.

The VICE PRESIDENT. Seventy-six Senators have answered to their names. A quorum is present.

THE FEDERAL TRADE COMMISSION AND THE USE OF AUTOMOBILES

Mr. BYRD. Mr. President, when report was made to the Senate as to the number of automobiles in use by the Government departments the Federal Trade Commission was, by error, in-

cluded with the Commerce Department. I have received a letter from Mr. W. A. Ayres, Chairman of the Federal Trade Commission, in which he states that the Commission does not own a single passenger automobile and that whenever any member of the Commission has seen fit to attend any meeting he has either ridden in an automobile owned by a member of the Commission or the staff, or in a taxicab, and has paid his own fare. I desire to commend the Commission for their attitude, and ask permission to insert in the body of my remarks the letter I have received from Mr. Ayres.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL TRADE COMMISSION,
Washington, May 21, 1942.

Hon. HARRY F. BYRD,
United States Senate,
Washington, D. C.

DEAR SENATOR: In the CONGRESSIONAL RECORD of May 15, 1942, at page 4252, there appears a table giving the various agencies or departments of the Government having passenger automobiles, in which the Federal Trade Commission is listed as Federal Trade Commission (included in Commerce Department). The Commerce Department table shows 312 passenger automobiles.

I can see no reason why the Federal Trade Commission should be included with the Commerce Department, as it is in no way connected with it more than with any other Department in the city, being an absolutely independent agency.

I wish to state further that the Federal Trade Commission has not at the present time and never has had a single passenger automobile assigned to it or to any member of the Commission. Any time we have seen fit to attend any meeting we have either ridden in an automobile owned by some member of the Commission or the staff or in a taxicab and paid our own fares.

In fairness to the Federal Trade Commission, I hope that this correction will be made.

Very sincerely,

W. A. AYRES, Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT OF FEDERAL PRISON INDUSTRIES, INC.

A letter from the secretary of the Federal Prison Industries, Inc., transmitting, pursuant to law, the annual report of the directors of the Federal Prison Industries, Inc., for the fiscal year 1941 (with an accompanying report); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

Two letters from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents on the files of the Departments of the Treasury, War, four; and of the Interior, three; Civil Service Commission, Federal Works Agency, War Production Board, and The National Archives, two; which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking toward their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A letter in the nature of a petition from Mrs. C. E. Tracy, of Ontario, Calif., praying for the enactment of the bill (S. 860) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

By Mr. TYDINGS:

A petition of sundry citizens of the State of Maryland, praying for the enactment of the bill (S. 860) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

By Mr. CAPPER:

Petitions, numerous signed, of the pastor and members of the Methodist Church of La Cygne, members of the First Methodist Church of Great Bend, and sundry citizens of Greensburg, all in the State of Kansas, praying for the enactment of the bill (S. 860) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GLASS, from the Committee on Appropriations:

H. J. Res. 314. Joint resolution making an additional appropriation for the marine and war-risk insurance fund; without amendment (Rept. No. 1409).

By Mr. BILBO, from the Committee on Agriculture and Forestry:

S. 2403. A bill to provide for use of net weights in interstate commerce transactions in cotton, to provide for the standardization of bale covering for cotton, and for other purposes; without recommendation.

By Mr. WALSH, from the Committee on Naval Affairs:

H. R. 6496. A bill to authorize the appointment of commissioned warrant and warrant officers to commissioned rank in the line and staff corps of the Navy and Marine Corps, and for other purposes; with amendments (Rept. No. 1410).

By Mr. BROWN (for Mr. BREWSTER), from the Committee on Claims:

H. R. 4999. A bill to confer jurisdiction upon the United States District Court for the District of Oregon to determine and render judgment for any losses suffered by the Columbia Boat & Barge System, Inc.; without amendment (Rept. No. 1412); and

H. R. 5619. A bill for the relief of certain clerks in the post office at Detroit, Mich.; with an amendment (Rept. No. 1411).

By Mr. ROSIER, from the Committee on Claims:

S. 2506. A bill for the relief of Angela Skeoch; without amendment (Rept. No. 1413);

H. R. 2424. A bill for the relief of Clarence J. Meteyer, Lester W. Engels, and Dorothy B. Engels; with amendments (Rept. No. 1415); and

H. R. 5385. A bill for the relief of Charles E. Yates and the Motor Facts Sales Co.; with an amendment (Rept. No. 1414).

By Mr. WILEY, from the Committee on Claims:

S. 1953. A bill for the relief of the Rock Hill Stone & Gravel Co., of St. Louis, Mo.; without amendment (Rept. No. 1416);

S. 2264. A bill conferring jurisdiction upon the United States District Court for the District of Connecticut, to hear, determine, and render judgment upon the claim of James H. Lane; with an amendment (Rept. No. 1420);

H. R. 2730. A bill for the relief of Dorothy Silva; without amendment (Rept. No. 1417);

H. R. 3398. A bill for the relief of Gerhard R. Fisher; with an amendment (Rept. No. 1421);

H. R. 5438. A bill for the relief of the San Diego Gas & Electric Co.; without amendment (Rept. No. 1418); and

H. R. 5778. A bill for the relief of Luther Herbert Tench and Mrs. Mildred Farmer Tench; without amendment (Rept. No. 1419).

REPORT ON INVESTIGATION OF THE FIRE AND CAPSIZING OF THE U. S. S. "LAFAYETTE" ("NORMANDIE") (REPT. NO. 1422)

Mr. WALSH, from the Committee on Naval Affairs, submitted a report, pursuant to Senate Resolution 225, Seventy-seventh Congress, in relation to the facts and circumstances with respect to the fire which severely damaged the U. S. S. *Lafayette* (*Normandie*) and resulted in her being capsized, which was ordered to be printed.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on May 26, 1942, that committee presented to the President of the United States the enrolled bill (S. 2202) to restore Paul A. Larned, a major, United States Army, retired, to the active list of the Regular Army.

HOUSE JOINT RESOLUTIONS REFERRED

The following joint resolutions were each read twice by their titles and referred as indicated:

H. J. Res. 310. Joint resolution to authorize the Federal Bureau of Investigation of the Department of Justice, the Military Intelligence Division of the War Department, and the Office of Naval Intelligence of the Navy Department in the conduct of certain investigations in the interest of prosecution of the war, to make use of intercepted communications without regard to the limitations contained in section 605 of the Communications Act of 1934 (48 Stat. 1103), and for other purposes; to the Committee on Interstate Commerce.

H. J. Res. 316. Joint resolution making an additional appropriation for the fiscal year 1942 for the training and education of defense workers; to the Committee on Appropriations.

SALLIE H. PHILLIPS

Mr. BARKLEY submitted the following resolution (S. Res. 258), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Sallie H. Phillips, widow of Zeb Barney T. Phillips, late the Chaplain of the Senate, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

THE TRUMAN COMMITTEE—EDITORIAL FROM MONTANA STANDARD

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Montana Standard, one of the leading Democratic newspapers of my State, entitled "The Truman Committee." This editorial pays a fitting tribute to the Truman committee. It says in part:

The Truman committee, which has been investigating the national defense program during the past year, has established a reputation for Senate investigating committees. It has been saving the taxpayers some money. The committee's investigation into Army camp construction projects saved the Government more than \$200,000,000, and the committee's expenses to date have been less than the \$100,000 originally appropriated.

I am glad to find this editorial in one of Montana's leading newspapers, and I think it is due the committee that I have it placed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE TRUMAN COMMITTEE

The Truman committee, which has been investigating the national defense program during the past year, has established a reputation for Senate investigating committees. It has been saving the taxpayers some money. The committee's investigation into Army camp construction projects saved the Government more than \$200,000,000, and the committee's expenses to date have been less than the \$100,000 originally appropriated.

Another inquiry conducted by the Truman committee resulted in the abolishment of the Office of Production Management and the placing of Donald M. Nelson on the throne as war-production czar. The committee also has inquired into strategic materials, defense housing, labor, international cartel agreements, and lobbying. In all it has called 302 witnesses and a transcript of the testimony heard fills 4,000 typewritten pages.

The committee began its investigations quietly a little over a year ago by questioning the heads of all departments of the national defense program. From these men the committee merely obtained a background upon which to base its probings.

The Truman committee has not followed the usual procedure of congressional committee investigations. Its objective was that of finding out facts. Other committees have been bent upon smearing individuals and groups. The committee is to be congratulated and a good many people will hope that other congressional investigating committees base their procedure on that of the Truman committee.

ADDRESS BY SENATOR GREEN BEFORE BLACKSTONE VALLEY POLISH RELIEF COMMITTEE

[Mr. TUNNELL asked and obtained leave to have printed in the RECORD an address delivered by Senator GREEN at a banquet given by the Blackstone Valley Polish Relief Committee, in honor of Sylwin Strakacz, Minister of the Republic of Poland, at Central Falls, R. I., on May 17, 1942, which appears in the Appendix.]

REPORT OF FORMER SENATOR GORE TO THE PEOPLE OF OKLAHOMA

[Mr. TYDINGS asked and obtained leave to have printed in the RECORD a column from the Oklahoma City Times of April 13, 1942, containing a report by former Senator Gore to the people of Oklahoma, which appears in the Appendix.]

"HOW TO WIN THE WAR—AS A BLIND MAN SEES IT"—ARTICLE BY FORMER SENATOR GORE

[Mr. TYDINGS asked and obtained leave to have printed in the Record an article from the Washington Daily News of May 15, 1942, written by former Senator Thomas P. Gore, entitled "How To Win the War—As a Blind Man Sees It," which appears in the Appendix.]

GASOLINE RATIONING AND THE RUBBER PROBLEM—EDITORIAL FROM WATERTOWN (N. Y.) DAILY TIMES

[Mr. CAPPER asked and obtained leave to have printed in the Record an editorial from the Watertown (N. Y.) Daily Times on the subject of gasoline rationing, which appears in the Appendix.]

EDITORIALS FROM TERRE HAUTE (IND.) SATURDAY SPECTATOR

[Mr. WILLIS asked and obtained leave to have printed in the Record two editorials from the Terre Haute (Ind.) Spectator of March 14, 1942, and May 9, 1942, respectively, which appear in the Appendix.]

ALASKA HIGHWAY—LETTER FROM JOHN UTTERSTROM

[Mr. LANGER asked and obtained leave to have printed in the Record a letter addressed to him by John Utterstrom, of Seattle, Wash., on the subject of the Alaska Military Highway, which appears in the Appendix.]

GASOLINE AND RUBBER RATIONING

Mr. BILBO. Mr. President, some time ago Mr. Paul Litchfield, chairman of the board of the Goodyear Tire & Rubber Co., gave out a statement about the mythical rubber shortage. Mr. Elliot E. Simpson, with the L. Dressage Co., of New York City, who is also in the rubber business, has written a letter to the editors of the country, in which he takes Mr. Litchfield to task, and makes an exposé of the untruthfulness of the assertions contained in Litchfield's public statement. I wish to read to the Senate all or a part of the letter from Mr. Simpson, because it goes to the very heart of the question of gasoline and rubber rationing which confronts the Nation at this time. I think we may obtain a little inspiration as to how this question is to be settled, for I understand Mr. Simpson is a very reliable person. His letter reads:

The propaganda sent to the editors of the Nation by Mr. Paul W. Litchfield, chairman of the board of Goodyear Tire & Rubber Co., is astonishing. Statements made are contrary to fact. The figure of 700,000 tons is the amount we had on hand at the time of Pearl Harbor. Hundreds of thousands of tons have been added to that supply. He utterly disregards rubber found in Brazil, Peru, Venezuela, Bolivia, Colombia, Ecuador, the Central American nations, Mexico, and Africa, and overlooks to call the attention of the people to the fact that, while we purchase 95 percent of our requirements in the Far East, there is more rubber now in the trees in the Western Hemisphere than ever grew in the plantations in the Far East.

He neglects to tell the people that hundreds of thousands of tons should be on their way to this country, and that if proper methods are used we can get more than enough for our requirements of crude rubber from the Western Hemisphere.

Here is the meat in the coconut:

He neglects to tell the people that there is a minimum of 10,000,000 tons of all kinds of scrap rubber lying all over the country; that if additional reclaiming plants were im-

mediately installed with equipment from the second-hand dealers of the Nation, we could overnight supply every civilian requirement and see that not only would the defense workers have tires but every civilian, to help them support the war effort.

We know from our every-day experience and contacts that there is some truth in the statement that there are 10,000,000 tons of scrap rubber in the possession of the people of the United States today. If we can solve the shortage of rubber, we will not hear any more about a national rationing program as to gasoline, which I think is unwise. I do not like to take issue with those in authority, but they say their excuse for a national rationing of gasoline is their desire to conserve rubber. If we have 10,000,000 tons of scrap rubber in the country, which can be easily collected and easily reclaimed and made into tires and tubes, so as to keep the American people rolling on, there is no reason why the authorities should not put on a "pig tight" campaign and see that it is done immediately.

Mr. Simpson develops another fact which is astonishing to me:

He neglects to tell the editors that if \$500,000,000 were spent to take rubber out of the Western Hemisphere instead of putting it into brick and mortar to produce synthetic rubber, which we still do not know enough about, we could get more than enough crude rubber to meet the requirements of our war machine, the Government, and civilians.

He neglects to tell the editors that \$40,000,000 would put up enough plants to reclaim 2,000,000 tons of scrap rubber to meet every war need and civilian need.

Mr. President, that is the crying need, the installation of reclaiming plants, which could utilize this scrap rubber if the Government would undertake the job of collecting it. I am sure the American people have been so thoroughly frightened over the rationing of gasoline, looking to the day when they will be walking instead of riding, that they would join wholeheartedly in a campaign to gather up this scrap rubber.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. VANDENBERG. I have substantial sympathy with the Senator's viewpoint that the campaign to reclaim rubber has been very inadequate, and that there is open a wide field of action. Where, in the Senator's view, does the responsibility lie, first, for not having initiated such a campaign heretofore, or, forgetting ancient history, where is the responsibility for proceeding now in the direction the Senator indicates?

Mr. BILBO. I am happy the Senator has asked the question. With the help of Mr. Simpson, I shall answer it fully. Mr. Simpson says further:

He neglects to tell you that Germany has practically no rubber, yet they have built the greatest war machine in history—mechanized and swift—doing it principally out of their scrap pile, which is reclaimed over and over again.

Rubber can be used 2 or 3 times. The Germans have used only a comparatively small quantity of rubber. One of

the radio analysts brought out the fact only yesterday that Germany had her entire war machine of 9,000,000 men moving on rubber, and yet they use a very small quantity of rubber.

Mr. Simpson says further:

What he does say is that the 30,000,000 privately owned automobiles have on their wheels the rubber of the Nation. I would like to ask Mr. Litchfield that if, with the hundreds of millions of dollars' worth of defense contracts his company has taken, whether he has room to manufacture the needs of the civilians.

Here is the nigger in the woodpile; the dead cat on the line—

I would like Mr. Litchfield to advise the people whether we could not speed our war effort if those hundreds of millions of dollars' worth of contracts which he has spread over the five or six hundred other rubber manufacturers; whether we could not, in one-quarter of the time, deliver the goods he has sold the Nation.

In other words, there are now in the United States between 500 and 600 rubber manufacturing concerns, and all these companies would be glad to get some of the contracts which have been awarded to about 5 companies by the War Department. Of course, in due time the big companies will execute the contracts and deliver the rubber to the Government for the war effort, but in the meantime the American people are persecuted, and are being rationed on gasoline, all for the sake of saving rubber, when we have 10,000,000 tons in this country which could be utilized in 90 days.

I read further from Mr. Simpson's letter:

I would like to ask him whether the other three and one-half members of his group in the rubber industry who have collectively billions of dollars worth of war and defense contracts have any room to take on civilian business, and whether or not they could not boost the war effort by dividing their contracts with five or six hundred other rubber manufacturers, with their same facilities, enabling deliveries to be made in 90 days, and not over the period of a year.

I would like to ask Mr. Litchfield, also, whether it wouldn't be an unfortunate situation for his company, as well as the 3½ others, if the five or six hundred companies made all of the civilian goods during the war and he made, as he is doing now, only rubber goods for defense, whether he wouldn't feel badly should the war end and the 500 or 600 have all of the civilian business. I wonder whether that might not, in some way, be what is throwing the mist across the trail.

Mr. President, that is the nigger in the woodpile. The 4 or 5 big companies, which have captured all the Government contracts from the War Department for the manufacture of rubber goods for the war effort, are not interested in taking care of the civilian population, they are not interested in reworking the 10,000,000 tons of scrap rubber in the United States for the benefit of the American people, so that they can continue to operate their automobiles and trucks and their businesses, because these companies realize that when the war shall have ended the 500 or 600 smaller manufacturers of rubber goods would have the civilian business, and the big companies would have some real com-

petition, whereas, under the present circumstances, they have a real monopoly, and are putting the small concerns out of business, because the small concerns have not any crude rubber, and have not access to the rubber.

Mr. Simpson further states in his letter:

Mr. Litchfield wants the people to realize that there can't be any relaxation of existing restrictions on rubber for civilian use until we whip the enemy.

Yet the War Department, through its agencies, is telling the American people that beginning in July the entire Nation is to be rationed on gasoline. Their only excuse for the rationing is to conserve rubber for the American people and for the war effort. If we take care of the civilian needs there will be no need for rationing gasoline.

Mr. Simpson's letter continues:

I would agree with that completely, if we did not have the scrap rubber available, and if we did not have the crude rubber available. Mr. Litchfield knows that you can, by taking one rubber hot water bottle that is torn, reclaim that over again and deliver another hot water bottle. He knows that you can get enough reclaimed rubber out of a tire to supply enough camel back sufficient to retread two and one-half tires. He knows that practically every rubber product needed by civilians can be made out of their own scrap rubber, perhaps not as durable as if made out of crude rubber, but which will serve their purpose.

Why, then, does he want the people not to have the things they require? Does he find himself in a position to make only defense and war contract commitments, and not the peoples' requirements? Is he fearful that possibly his competitors, the five or six hundred smaller manufacturers, can supply these people and this market would be lost to him should the war end quickly?

That is the nigger in the woodpile. The large companies do not want the 500 or 600 small manufacturers of rubber to have this business, to take care of the needs of civilians, although we have 10,000,000 tons of scrap rubber here and it can be reclaimed in a few months with a little Government help. They do not want that done because when the war is over they would have so many competitors in providing rubber goods for the civilians of America.

I also want America's leading editors to turn their attention toward this situation more aggressively. When $4\frac{1}{2}$ large companies out of 755 get the bulk of the war business and can't make anything for civilians, they should be stopped from their attempt to see that the civilians are denied these things necessary to help the war effort. I want the editors to know that if the business these companies have in war and defense contracts was divided between those other factories which have equal facilities, that the war effort would be speeded and victory aided.

I want the editors to know that practically all of the competitors of the big $4\frac{1}{2}$ rubber companies are either out of business or going out of business, leaving the field to them alone, and thus our war effort is being impeded.

Mr. President, not only are the competing companies being destroyed for the present advantage of the large companies, but for future gains on the part of the few large companies which have monopolized the rubber business of the

United States in connection with the rubber committees of the Far East, as was brought out in the committee report submitted yesterday.

American victory is held back. The people are being persecuted. For out of their own scrap rubber they can have the materials they need to help us win the victory and they are being denied it.

Very truly yours,

ELLIOT E. SIMPSON,
L. DRESSAGE CO.,

New York City.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. VANDENBERG. From the letter I can understand the theory that the large rubber companies might have an interest in monopolizing the present situation for the sake of its subsequent post-war control, but I cannot understand why a Government rubber administration would be similarly inspired, and what I am asking the Senator from Mississippi is where in the Government we ought to turn to put the finger of responsibility for not reclaiming the rubber, which, according to the Senator's thesis, is adequate to serve the American people.

Mr. BILBO. I have my suspicions.

Mr. VANDENBERG. I should like to hear what they are.

Mr. BILBO. I have ideas about the matter but I am not in a position to commence name calling at this time. My suspicion is not only in connection with the shortage of rubber, but in connection with the shortage of some other materials connected with the war effort, and it is that the trouble lies with some of the dollar-a-year men in the War Production Board. They are getting a dollar a year from the Government and drawing handsome salaries from their companies back home. Mr. President, human nature is human nature. They will naturally want to conserve the interests of their companies. They will naturally be inclined to do things, and shape and direct policies so as to conserve the interests of those who are paying them their salaries. They do not think that is unpatriotic. They console themselves and make themselves believe that they are performing a patriotic duty. I do not say that they are traitors to our country, but whether they are or not, the thing is being done, and we are permitting the machinery to run in such a way as to build up many monopolies in this country, and when the war is over we shall have to fight another war to get rid of them for the sake of the American people.

Mr. DANAHER. Mr. President, will the Senator from Michigan yield to me?

Mr. BROWN. Does the Senator desire to ask a question of the Senator from Mississippi?

Mr. DANAHER. Yes; I do.

Mr. BROWN. I yield for that purpose.

Mr. DANAHER. I thank the Senator. Does the Senator from Mississippi not see a very great deal of confusion in public utterances from those in high places with reference to this situation? Let me point to—

Mr. BILBO. Let me answer the first question before the Senator goes to another one.

Mr. DANAHER. Certainly.

Mr. BILBO. I will say in answer to the Senator's question that I do; but not one-tenth as much confusion as we shall have when gasoline is taken away from the American people and they are made to stay at home, and to sacrifice their businesses throughout the Nation. If we can start to work some manufacturers whose efforts will bring about the recapture of the 10,000,000 tons of scrap rubber in America, and permit the American people to continue rolling on rubber to their businesses, I think we shall be doing something very useful.

Mr. DANAHER. Mr. President, will the Senator from Michigan yield further?

Mr. BROWN. I yield.

Mr. DANAHER. I should like to call to the attention of the Senator from Mississippi that Mayor Edward J. Jeffries, of Detroit, wrote to the President asking him for a clarification of the rubber situation. This morning's Washington Post reveals that the President replied as follows:

The outlook is not a pleasant one, for it appears that virtually no rubber can be made available for any purposes which are not directly connected with the war effort.

I hope—

The President continues, that this—will serve to diminish greatly any skepticism that may be entertained in any quarters as to the seriousness of the rubber shortage.

But at the very same time the letter to the mayor of Detroit was being released in Detroit, the President was holding a press conference yesterday, and the Baltimore Sun says that the President told the press correspondents there was a definite hope for a solution of the situation, and that certain substitutes will be developed before the present tires wear out.

The Baltimore Sun continues:

He said he did not see too much to be alarmed about in the present situation and that technicians are working on two or three types of rubber substitutes.

The Chief Executive held out the hope that these will result in tires capable of use at speeds not in excess of 30 to 35 miles an hour.

Mr. President, with the two statements from the President himself on the same day appearing in the press, with the administration officials and W. P. B. telling us that the outlook is dark, and that there is to be no rubber, with the Senator from Mississippi [Mr. BILBO] pointing out testimony to the effect that there is scrap rubber subject to reclamation which can adequately meet the needs of the American people, I submit that the confusion of utterances by persons in high places is doing the country no good.

Mr. BILBO. I do not want to intimate that the President anticipated my statement today, but that thing is happening now which he had in mind, that there will be something done about the situation, and the situation will not be so bad.

I wish to say in this connection that there has been a great deal of hardship and a great deal of persecution and a great deal of abuse as the result of the rationing of gasoline on the Atlantic seaboard. That was brought about by the

same influences that are controlling the rubber situation. We would have had a pipe line, and we should have had all the oil needed for the Atlantic coast, if it had not been for someone indulging in monkey business when we were trying to solve this problem some months ago.

MOBILIZATION OF SMALL BUSINESS FOR WAR PRODUCTION

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2250) to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes.

Mr. WAGNER. I move that the Senate disagree to the amendment of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

Mr. LA FOLLETTE. Mr. President, before the motion is disposed of, I should like to say a few words. The Senator from Wyoming [Mr. O'MAHONEY] pointed out yesterday—and I am making my statement on the basis of his statement—that there has been attached to this bill, which is designed to help small business, an amendment providing for a suspension of the antitrust laws of the country. As the Senator pointed out, such legislation is already under consideration by the Judiciary Committee of the Senate, and, as I understand, a companion bill is under consideration by the Judiciary Committee of the other House. My information is that there were no hearings held on this proposal, which is sweeping and drastic in character, and that it was put upon the bill without an opportunity for the interested departments to be heard.

Mr. President, it is not my purpose to move to instruct the conferees on the part of the Senate, which I would have a perfect right to do after the pending motion of the Senator from New York is agreed to and before the conferees are appointed, because I do not want to restrict the conferees on the part of the Senate, but I do want to urge upon the conferees who are to be appointed that this is no place for sweeping legislation affecting the antitrust laws and the policies of the Government with respect thereto in wartime. If any Senators have any doubt of that, they should read the hearings and the testimony which has been taken before the Patents Committee.

So I wish to appeal to the Senate conferees to take cognizance of the fact that proposed legislation is under consideration affecting the question of the policy of the Government toward the antitrust laws in wartime; that a subcommittee of the Judiciary Committee is about to hold hearings—I think they will start tomorrow—with the Attorney General being present; and I further emphasize the fact that the proposed legislation, which is and can be of benefit only to big business, has no right and no place, under the circumstances, on a bill designed to assist small business.

The VICE PRESIDENT. The question is on the motion of the Senator from New York.

The motion was agreed to; and the Vice President appointed Mr. HUGHES, Mr. WAGNER, Mr. MALONEY, Mr. TOBEY, and Mr. TAFT conferees on the part of the Senate.

TRANSPORTATION OF FARM PRODUCTS BY TRUCK

Mr. SCHWARTZ. Mr. President, I wish to make a few observations with regard to the regulations having to do with the transportation of farm products by truck. I do not intend to cover in detail the various orders which have been issued affecting other kinds of transportation.

From day to day we have listened to considerable discussion about the rubber situation. I think if Senators who are not members of the Military Affairs Committee had been present and had listened to Under Secretary of War Patterson and other informed persons, they would realize how serious the rubber situation is. That is also the view which the President gets from informed persons in the executive departments. If we do not wish to accept the Executive view, we have a special committee of the Senate known as the Truman committee, which reported yesterday on the rubber situation.

I realize, of course, that every effort made to produce rubber of one kind or another is being criticized. We are criticizing everybody; but I am inclined to stand on what the Truman committee says and what the War Department believes. I believe that the rubber situation is especially acute, and that something must be done about it.

The President, realizing the seriousness of the matter, has set up a special organization called the Office of Defense Transportation. He has placed in charge of it Mr. Joseph B. Eastman, of the Interstate Commerce Commission. It seems to me only fair to say that if anyone in the United States is informed about truck transportation and railroad transportation, it is Mr. Eastman, who has had many years of experience in those fields. There may be someone better qualified, but I do not know where he could be found. Fortunately we find Mr. Eastman in charge of this particular organization.

In the performance of his duties he has issued certain orders. Among others are orders relating to contract carriers, interstate carriers, and private carriers. I have them all before me. I do not intend to introduce them all into the Record, but I wish to refer more particularly to private carriers.

Reference was made yesterday to our ranchers and farmers. In Wyoming some of them are 75 miles from a railroad. At this time of year they are required to transport their wool, livestock, and grain to the railroad in order to market them. Provision has been made in the orders and regulation to accomplish that very purpose.

I wish to read a paragraph which is contained in the regulations with respect to private carriers, contract carriers, and interstate carriers, in reference to round-trip loads, and the necessity of coming

back with loads. I read it from the regulations relating to private carriers, because that is the class which I wish to discuss. It is the same in the orders with respect to the other classes. After I read it, I will point out that it does not apply to farmers. The paragraph reads:

501.26. Loading and operating requirements. On and after the effective date specified herein, no private carrier shall: * * *

(b) Operate a motortruck in over-the-road service unless such truck is loaded to capacity at origin point, and will be loaded to not less than 75 percent of capacity on the return trip; or unless loaded to 75 percent of capacity at origin point, and will be loaded to capacity on the return trip: *Provided, however,* That no intermediate point at which a portion of a load has been discharged shall be deemed to be a point of origin, but the point at which the last portion of a load has been discharged shall be deemed to be the point of the beginning of a return trip.

Let us see how that applies to farmers. Under the head of "Exemptions" in the regulations we find the following:

The provisions of subsection 501.26 (b) of this order shall not apply to or include the following: * * *

(b) A motortruck controlled and operated by any person or persons principally engaged in farming, when used in the transportation of agricultural commodities and products thereof, from a farm or farms, or in the transportation of farm supplies to a farm or farms.

All who come within that classification are not subjected to the return-load requirement which applies to certain other private carriers.

Of course, there are private carriers which are not engaged, as are farmers and ranchers, in transporting agricultural products. There is a provision in the orders applying to contract carriers and private carriers under which, in cases of hardship, they may make application to one of the division headquarters throughout the country and ask for relief. On a proper showing, relief may be granted.

I can imagine the situation of a wholesale grocery house which is transporting grocery products to stores which are not located on railroads and are not otherwise accessible to transportation. When a truck from such a concern reaches the last point on its route, under the general regulations, unless an application is made for relief, the truck would be required to have some kind of a load on the return trip. However, there is a provision under which hardship cases may be taken care of.

It has been stated that we are trying to run this whole trucking business from Washington. It is not being run from Washington at all. The regulations are being administered locally, by division headquarters. Speaking more particularly about the section of the country in which I am especially interested, there is now a division director at Denver, Colo., in the Denver Building. His name is E. Robert Baker. Richard W. Candland is division director at Salt Lake, with offices at 1202 Continental Bank Building. At Phoenix, Ariz., William M. Cox is division director, with offices in 305

Security Building. There are two division headquarters in California, one in Portland, Oreg., one in Seattle, and one in Spokane. Another is to be established to serve operators in Montana, Wyoming, and portions of the Dakotas. There are many other offices in other parts of the Nation.

By applying on printed forms for relief in hardship cases, those who suffer hardship may be granted relief. Such relief may or may not be granted, but in a meritorious case, of course, it would be granted.

I think that covers the situation. I wished to speak more particularly about the situation of the farmers. I hope Senators will realize that the general organization for the control of transportation has been set up only within the past few weeks. It is utterly impossible that it should this soon be working to perfection. However, the regulations do provide for exemptions in meritorious cases. In any event, the regulations to which I have referred do not apply to farmers transporting their products or to transportation used in carrying supplies to them. Of course, a farmer who is a private carrier may, if he so desires, arrange to take on other forms of transportation and assume a broader responsibility. In that event, he would bring himself into the category of contract carriers.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the order relating to private carriers and the form of application which all carriers must make for relief.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

CHAPTER II. OFFICE OF DEFENSE TRANSPORTATION (GENERAL ORDER O. D. T. No. 5)

PART 501. CONSERVATION OF MOTOR EQUIPMENT

Private carriers of property

By virtue of the authority vested in me by Executive Order No. 8989, dated December 18, 1941, and in order to conserve and providently utilize transportation facilities and equipment, including rubber tires, of private carriers by motor vehicle; to prevent shortages in motortruck equipment necessary for the prompt and continuous movement of necessary traffic; and to provide for the conservation of vital equipment, material, and supplies, including rubber, the attainment of which purposes is essential to the successful prosecution of the war:

It is hereby ordered, That—

501.24. Definitions.

501.25. Elimination of waste.

501.26. Loading and operating requirements.

501.27. Operations when empty.

501.28. Exemptions.

501.29. Operations by special authority.

501.30. Records and reports.

Authority: Sections 501.24 to 501.30, inclusive, issued under Executive Order 8989, 6 Federal Register 6725.

Sec. 501.24. Definitions: As used herein—

(a) The term "property" means all material, equipment, and supplies of every kind capable of being transported by motortruck.

(b) The term "motortruck" means either (1) a straight truck, (2) a combination truck-tractor and semitrailer, (3) a full trailer, or (4) any combination thereof.

(c) The term "private carrier" means every person other than a common carrier or a contract carrier as defined in General Orders O. D. T. No. 3 and O. D. T. No. 4, who transports property by motortruck in over-the-road service.

(d) The term "capacity" means the rated load-carrying ability of the tires on the motortruck (as shown in appendix No. 1 attached hereto). Where the commodity is of light density the total space available for a load shall be the measure of capacity.

(e) The term "special equipment" means any motortruck the primary carrying capacity of which is occupied by mounted machinery or by a mounted tank or tanks designed to carry bulk liquids; low-bed motortrucks, pole trailers, or pipe dollies.

(f) The term "over-the-road" service means all operations except those wholly within any municipality or urban community, or between contiguous municipalities or urban communities, or within a zone adjacent to and commercially a part of any such municipality or municipalities or urban communities, or except hauls not more than 15 miles in length.

(g) The term "circuitous route" means any route or routes or combination thereof which exceeds the most direct highway route by 10 percent.

(h) The term "person" means any individual, firm, copartnership, corporation, company, association, including a farm cooperative association as defined in the Agricultural Marketing Act, approved June 15, 1929, as amended, joint-stock association, or Government or governmental agency, and includes any trustee, receiver, assignee, or personal representative thereof.

Sec. 501.25. Elimination of waste: On and after the effective date specified herein, every private carrier shall:

(a) Eliminate waste in operations and conserve and properly maintain tires, motortruck equipment, and other facilities necessary in conducting the transportation by the carrier, and curtail schedules to the extent necessary to carry out the purposes of this order.

Sec. 501.26. Loading and operating requirements: On and after the effective date specified herein, no private carrier shall:

(a) Operate a motortruck transporting a gross load which exceeds by more than 20 percent its capacity as defined herein.

(b) Operate a motortruck in over-the-road service unless such truck is loaded to capacity at origin point and will be loaded to not less than 75 percent of capacity on the return trip; or unless loaded to 75 percent of capacity at origin point and will be loaded to capacity on the return trip: *Provided, however*, That no intermediate point at which a portion of a load has been discharged shall be deemed to be a point of origin, but the point at which the last portion of a load has been discharged shall be deemed to be the point of the beginning of a return trip.

(c) Use a circuitous route in any transportation movement, except when no carrier capable of performing the service over a direct route is available.

Sec. 501.27. Operations when empty: Nothing contained in subsection 501.26 (b) of this

¹ The term "common carrier" means any person which holds itself out to the general public to engage in the transportation of property in over-the-road service by motortruck for compensation, regardless of the designation of such person under any Federal or State statute.

The term "contract carrier" means any person other than a common carrier, as defined above, which engages in transportation of property in over-the-road service for compensation.

order shall prevent a motortruck from moving empty from the point of final discharge of lading to a nearby point where traffic is available for loading, if such traffic cannot be transported by any carrier under any of the conditions set out in said subsection 501.26 (b).

Sec. 501.28. Exemptions: The provisions of subsection 501.26 (b) of this order shall not apply to or include the following:

(a) A motortruck exclusively containing explosives or dangerous articles, as the latter are defined in Eighteen United States Code Three Hundred and Eighty-three.

(b) A motortruck controlled and operated by any person or persons principally engaged in farming when used in the transportation of agricultural commodities and products thereof, from a farm or farms, or in the transportation of farm supplies to a farm or farms.

(c) Any motortruck used exclusively in the maintenance of any public utility.

(d) Any motortruck operated exclusively in the furtherance of public health and safety.

(e) Any motortruck coming within the definition of special equipment.

(f) Any motortruck owned, controlled, or operated by the armed forces of the Federal or a State Government.

Sec. 501.29. Operations by special authority: The provisions of this order shall not apply to any motortruck which is engaged in a movement that is authorized by special or general permit of this Office.

Sec. 501.30. Records and reports: Every private carrier shall prepare and maintain such records, and make such reports, as this Office may hereafter require for the purpose of this order, and keep such records available and open for inspection at all reasonable times for investigation by this Office.

This order shall become effective June 1, 1942.

Witness my hand this 20th day of April 1942.

JOSEPH B. EASTMAN,
Director of Defense Transportation.

APPENDIX No. 1

The capacity of any motortruck shall be determined by multiplying the number of tires, of the size and description, mounted on the running wheels of such motortruck by the number of pounds of rated load-carrying ability of such tires as designated in this appendix; from the result of this computation there shall be deducted the unladen weight of the motortruck; the remaining balance for the purposes of this order shall be the capacity of such motortruck as defined herein.

Formula: Tires×carrying ability of tires, deduct unladen weight of vehicle. Result gives load to be carried.

Example:

tires 9,00x20

10×3,450 pounds=34,500 pounds.

14,500 pounds unladen weight.

20,000 load to be carried.

Description of tire		Rated load carrying ability in pounds per tire
Size, inches	Number of plies	
15.....	6	1,500
15.....	8	1,700
8.00-16.....	6	1,130
6.00-17.....	6	1,250
6.00-20.....	6	1,400
6.00-20/30 x 5.....	8	1,700
6.50-16.....	6	1,290
6.50-17.....	6	1,500
6.50-18.....	6	1,575
6.50-20.....	6	1,700
6.50-20/32 x 6.....	8	1,950
7.00-15.....	6	1,415

Description of tire		Rated load carrying ability in pounds per tire
Size, inches	Number of plies	
7.00-15	8	1,575
7.00-16	6	1,485
7.00-16	8	1,650
7.00-17	6	1,550
7.00-17	8	1,725
7.00-18	8	1,800
7.00-20	8	1,950
7.00-20/32 x 6	10	2,250
7.00-24/36 x 6	10	2,575
7.50-15	8	1,825
7.50-15	10	2,225
7.50-16	6	1,660
7.50-16	8	1,850
7.50-17	8	2,000
7.50-18	8	2,100
7.50-18/32 x 7	10	2,500
7.50-20	8	2,250
7.50-20/34 x 7	10	2,700
7.50-24	8	2,550
7.50-24/38 x 7	10	3,100
8.25-15	10	2,275
8.25-15	12	2,600
8.25-18	10	2,550
8.25-18	12	2,925
8.25-20	10	2,750
8.25-20	12	3,150
8.25-22	10	2,950
8.25-24	10	3,125
8.25-24	12	3,600
9.00-15	10	2,875
9.00-15	12	3,200
9.00-18	10	3,225
9.00-18	12	3,600
9.00-20	10	3,450
9.00-20/36 x 8	12	3,850
9.00-22	10	3,675
9.00-24	10	3,925
9.00-24/40 x 8	12	4,375
10.00-15 (9.75-15)	12	3,375
10.00-18 (9.75-18)	12	3,775
10.00-20 (9.75-20)	12	4,000
10.00-20/38 x 9	14	4,350
10.00-22 (9.75-22)	12	4,275
10.00-24 (9.75-24)	12	4,550
10.00-24/42 x 9	14	4,925
11.00-16 (10.50-16)	12	4,200
11.00-20 (10.50-20)	12	4,500
11.00-20 (10.50-20)	14	4,850
11.00-22 (10.50-22)	12	4,750
11.00-24 (10.50-24)	12	5,000
11.00-24 (10.50-24)	14	5,400
12.00-18 (11.25-18)	14	5,125
12.00-20 (11.25-20)	14	5,475
12.00-20/40 x 10	16	5,875
12.00-22	14	5,800
12.00-24 (11.25-24)	14	6,150
12.00-24/44 x 10	16	6,600
13.00-20 (12.75-20)	16	6,750
13.00-24 (12.75-24)	16	7,575
14.00-20 (13.50-20)	16	8,200
14.00-20 (13.50-20)	18	8,700
14.00-24 (13.50-20)	16	9,150
14.00-24 (13.50-24)	18	9,700
No. 10	6	1,100
No. 11	6	1,100
No. 12	6	1,200
No. 13	6	1,300
No. 14	6	1,400
No. 15	6	1,500
No. 16	6	1,600
No. 17	8	1,700
No. 18	8	1,800
No. 19	8	1,900
No. 20	10	2,000
No. 22	10	2,200
No. 28	10	2,800
No. 34	10	3,400
No. 40	12	4,000
No. 42	12	4,200
No. 44	12	4,400
No. 48	12	4,800
No. 50	12	5,000
No. 52	12	5,200

OFFICE OF DEFENSE TRANSPORTATION

EXPLANATORY STATEMENT TO ACCOMPANY GENERAL ORDERS O. D. T. NOS. 3, 4, AND 5

To All Common, Contract, and Private Carriers by Motortruck:

Present forecasts of the traffic which must be carried by our motortruck transportation facilities during 1942 and succeeding years indicate that unless we take immediate action to conserve and providently utilize transportation facilities and equipment, including

rubber tires, the movement of essential military traffic and foodstuffs may be impeded.

In 1941 approximately 700,000 new trucks were put in service in the United States. For the 2-year period—1942 and 1943—there are available for all purposes only about 150,000 new trucks.

The normal rate of depletion removes approximately 420,000 motortrucks from service each year. Considering the rate of depletion, along with the limited number of trucks available for replacement, it is obvious that we are faced with an ever-diminishing amount of motortruck equipment. At the same time we have the problem of transporting an ever-increasing volume of traffic.

The best information available indicates that there will be less than one-third of the number of motortruck tires available for rationing during the year 1942 than were sold during the year 1941. This will result in many trucks going out of service, due to the shortage of new tires and materials for re-treading present tires.

The responsibility of this Office to insure the continuous and expeditious movement of war traffic requires immediate action to eliminate methods of operation and duplication of parallel services which result in the wasteful use of motortrucks.

Each motor carrier knows best where most of the mileage reductions can be made in its own operations. We ask that each carrier thoroughly study its own operations, in order to accomplish the maximum results intended by this order.

We ask further that each carrier adjust its services to comply with the spirit of the order, and we are confident all carriers involved will cooperate in attaining the required objective. Relying upon this belief, the order is much less rigid in its requirements than would otherwise be the case.

The attainment of full loads at all times is the objective of the order. We realize that this cannot be accomplished to perfection. Nevertheless, we must strive toward such a goal in order to accomplish the maximum results.

We have established the tire carrying ability of the vehicle as a basis of computing the gross load. By merely deducting the unladen weight of the vehicle from the gross permissible weight, we arrive at the net payload. (See appendix 1.) Normally, many vehicles are loaded much in excess of their tire capacity. We are asking each carrier not to overload beyond 20 percent. Tires will give maximum mileage if properly cared for and if not overloaded beyond 20 percent. Tires are very vital in our war effort; it's almost a sacred duty to protect them properly.

A forthcoming amendment to the tire-rationing regulations, effective June 1, 1942, to be issued by the Office of Price Administration, provides that local rationing boards shall refuse to grant certificates to applicants when the tire to be replaced has been rendered useless and nonrecappable through deliberate neglect. Should any list A applicant deliberately drive his tires beyond the point at which they could be recapped, he will be denied a certificate. For the same reason, a list B applicant will be denied a certificate. Also, applicants who have ruined their tires by overloading will be denied certificates.

From the above formula, carriers will, in most instances, load close to 120 percent of rated tire capacity in one direction. When hauling in the opposite direction, carriers are required to load as a minimum to 62½ percent of maximum capacity, or 75 percent of the established capacity. We believe these loadings can be attained. The successful

prosecution of the war requires it. Numerous pieces of equipment may become idle, but bear in mind that during the balance of 1942 and 1943 less than 150 motor trucks of all sizes will be rationed, when normally more than a million new units would be placed in service.

We have reasons to believe that considerable freight is being carried over circuitous routes which results in wasteful mileage. The elimination of such waste will require shippers to change routings in many instances but we believe they will not hesitate to cooperate.

Common carriers are the servants of the public by law. Accordingly, such carriers are given more flexibility in order that they may render required common-carrier services. We have asked the common carriers to do things not asked of contract and private carriers. For example, they are required to divert freight to some other carrier when such freight has been in their possession at a terminal for more than 36 hours; and, further, they are required to accept diversions from other carriers. In this manner we hope to keep the flow of all traffic liquid. Common carriers may at times run partially loaded or empty, but not until they are certain there is no freight available to be transported in the direction of the movement of the empty vehicle. To do this effectively we visualize the establishment by common carriers of numerous dispatching offices or clearinghouses.

Private carriers might violate the Interstate Commerce Act if they undertook to pool their shipments. They most likely would become carriers for hire under such circumstances, and would be subject to regulation by the Interstate Commerce Commission or other regulatory bodies.

Contract carriers may pool in a limited way, and in many instances can reduce schedules and jointly load trucks to save mileage.

We have permitted all three types of carriers to move their trucks empty to a nearby point for the purpose of picking up another load. This practice may be entered into only when to do so would be in the furtherance of the spirit of these orders.

These orders suggest a number of ways by which carriers may conserve motor equipment through joint action. Common and contract carriers may formulate plans for joint action, but such plans must be submitted to the Interstate Commerce Commission, the State regulatory body having jurisdiction over such traffic, or this office for consideration. However, in order to avoid violations of the antitrust laws, no such joint action shall be taken until the carriers have been ordered so to do by the appropriate regulatory body or by this office.

We are not unmindful that the effects of these orders may, in some instances, cause inconvenience to the carriers involved. They were framed to avoid such injuries as far as possible, but because of the effect which the orders may have upon shippers' service generally, the carriers will be expected to give adequate publicity to both general and specific arrangements for their revised services.

On the other hand, the war emergency requires that individual rights or interests of all our citizens be subordinated wherever necessary to the common good. We rely upon the patriotism of the carriers and shippers who will be affected by these orders to cooperate in the highest possible degree in making them effective even though they appear to affect them adversely.

Address all communications regarding these orders to John L. Rogers, Director, Division of Motor Transport, room 4211, Interstate Commerce Commission Building, Washington, D. C.

OFFICE OF DEFENSE TRANSPORTATION
DIVISION OF MOTOR TRANSPORT

Application for special permit under General Orders O.
D. T. Nos. 3, 4, and 5

- I. Name** _____
(If an individual) (last) (first) (middle)
D/B/A _____
Individual... Copartnership... Corporation...
Other specify _____
Address _____
(number) (street or R. F. D.) (county)
(town) (State)
II. Authority is requested for special permit as a common carrier... contract carrier... private carrier...
III. Special or general commodities to be transported. Outbound... Inbound...
IV. Between _____ and _____ (describe in detail)
V. Priority rating, if any...
VI. Are regular routes used by you in performing service between the same points? Yes... No...
VII. Route of travel _____
(by highway numbers—show in same sequence as operations would be conducted)
VIII. Number of trips to each point per week...
IX AND X TO BE ANSWERED BY PRIVATE CARRIERS ONLY
IX. Are one or more competitors serving the same points? Yes... No... If answer is "Yes" check the following: How do your competitors make their deliveries? By own truck... contract carrier by motortruck... common carrier by motortruck... rail... water... otherwise...
X. Are there other private carriers operating motortrucks in the same direction as you are? Yes... No... Are they returning loaded... partially loaded... empty...? Give details... How can they eliminate empty miles? ...
XI. Do any of your competitors move loaded motortrucks in the same direction you seek authority to move empty or partially loaded motortrucks? Yes... No... If the answer is "Yes" name them...
XII. Is any transportation service available by—common carrier by motortruck? Yes... No... contract carrier by motortruck? Yes... No... rail? Yes... No... water? Yes... No... If the answer is "Yes" name each and every carrier performing such service and describe in detail why such service cannot be utilized by you in performing your deliveries. (Attach answer and mark Exhibit XII.)
XIII. What effort has been made by you to get each of the above to perform this service for you?
XIV. What have you done to reduce mileage? (explain fully)
XV. What usage will be made of your motor equipment if this application is not granted?
XVI. Number of motortrucks that would be taken out of service if this application is not granted. Straight trucks... truck tractors... semitrailers... full trailers...
XVII. Is the movement for which special authority is sought seasonal. Yes... No... Describe...
XVIII. Period over which permit would be needed...
XIX. If this application is granted what would be the effect in the saving of other transportation facilities? Explain fully...
XX. In event you are unable to procure tires or other essential parts or materials how would the traffic you transport move after your present motor trucks are no longer usable...

OATH

STATE OF _____
County of _____ ss:
_____ makes oath and says that he is (name of affiant)
_____ of the _____; that he (title of affiant) (name of applicant)
is authorized on the part of said applicant to verify and file with the Office of Defense Transportation this application and exhibits attached thereto; that he has carefully examined all of the statements contained in such application and the exhibits attached thereto and made a part thereof; that he has knowledge of the matters set forth therein and that all such statements made and matters set forth therein are true and correct to the best of his knowledge, information, and belief; affiant further says that the applicant makes this application in good faith and represents that every effort has been made to get the transportation conducted without the waste now prevalent in the operation for which special authority is hereby sought.

Subscribed and sworn to before me, a _____
in and for the State and County above named, this _____
day of _____, 1942.

(SEAL)

My commission expires _____

LXXXVIII—291

THE WAR EFFORT

Mr. WILEY. Mr. President, recently I spent several weeks in Wisconsin. During that time I visited shipyards and many defense projects in various portions of the State. I had occasion to talk to a great many persons in almost every stratum of life and representing almost every kind of interest.

Wherever I went, I found that people had certain questions in mind. I tabulated those questions during my trip, and I should like briefly to present them at this time. They are the same questions which are asked in the daily mail of every Member of Congress; but it may serve some constructive purpose, however, to briefly review them for the record.

First. The first question which folks back home are asking is, How long will the war last? The people recall that in the last World War we required about a year and one-half after our entry into the war to win it. They want to know whether this war will take more time or less time. They feel very keenly that there have been too many conflicting statements in this connection.

Second. What will the tax load be? Why is there so much delay in presenting the tax bill? This makes it very difficult for the average person to arrange his financial affairs in anticipation of tax demands which will be made of him.

Third. When will there be a decisive, clearly defined labor policy so that both management and labor will know precisely where they stand?

Fourth. Are we definitely achieving our production goals? If not, where are the bottlenecks and how can they be corrected?

Fifth. Are we getting all the news concerning the war—good and bad news alike—or is there a tendency in official circles to place the emphasis all one way?

Sixth. When is Government going to cut nonwar expenditures to the bone? And I might add that we cannot answer that question too soon.

Seventh. What will the future draft policy be? Statements from the Washington headquarters of the National Security Service System vary widely in their interpretation, and the people are vehement about the need for a clearly defined policy. They object to conflicting statements being published by Washington officials in this connection.

Eighth. What commodities will be included and what will be the extent of any future pattern of rationing? Here again people object to the uncertainty and the conflicting statements which have been made. People who present this question invariably accompany it with a statement to the effect that they are perfectly willing to make sacrifices, but they want a clearly defined statement of what sacrifices they are to make rather than a number of confusing and contradictory statements. Also, they want to be certain that sacrifices are applied uniformly.

Ninth. Are the military authorities rigidly enforcing existing laws and regu-

lations relating to camp morality? Is there a need for further legislation in this connection?

Tenth. What plans are being made for the post-war period? What safeguards are being considered to prevent a repetition of the farmers' plight after the last World War? What steps are being taken to prevent widespread unemployment after this war? How will we pay the freight?

Eleventh. Is anything being done to bolster up the financial positions of our agencies of transportation?

Twelfth. Will the new revenue bill safeguard contractual obligations incurred prior to the war?

Thirteenth. What justification is there for the suggested gas rationing in the Middle West?

Fourteenth. How can we help?

I desire to discuss one of these questions at this point. It happens to be question numbered 13: "What justification is there for the suggested gas rationing in the Middle West?"

Yesterday I listened very attentively to the discussion by the Senator from Missouri [Mr. TRUMAN], and I was impressed with two conclusions: First, that there is a tremendous amount of gasoline in this country which is not being distributed because of lack of transportation facilities; secondly, I was impressed with the conclusion that tires deteriorate practically as much with nonuse as they do with use, if the use is reasonable. The President says we shall soon have ersatz tires.

In my State we have seven or eight thousand lakes. One of our great industries is taking care of tourists.

This year we have been hit in many centers.

I have received a number of telegrams and letters saying that we have plenty of gasoline in the State of Wisconsin. If the gasoline which we have is not needed in the war effort—and there has been no showing that it is so needed in the Middle West—then it would appear that what is needed above everything else is taxes, which might be unnecessarily reduced in our area by a gasoline restriction order. We must think of the necessity of keeping up the morale on the home front. When hundreds of thousands of persons are deprived—without a vital reason—of an opportunity to earn, their morale is affected. So I say that we should think twice before attempting to do anything drastic with respect to rationing gasoline in those areas in which gasoline is plentiful and is available and is not needed in the war effort. Why this constant scaring the people to death with unnecessary threats that affect their business and standard of living?

I should like to point out in passing that one common thread runs through all the questions I have enumerated. That is the desire of the people to be told a straightforward story by Government, free of confusion and uncertainty. I have particularly in mind in this matter the tremendous appropriations which

we are making. The people are confused because they do not comprehend the difference between what we pay out and what we appropriate. It is said that it is probable that this next fiscal year—July 1942 to July 1943—we shall raise by taxation some \$21,000,000,000 or \$22,000,000,000, and probably we shall spend \$60,000,000,000. That would leave a deficit of approximately \$40,000,000,000. Of course, those figures are not exact. If we add that \$40,000,000,000 to our present indebtedness, we shall have a total indebtedness of approximately \$100,000,000,000 or more. When the average citizen learns that we are appropriating tremendous sums, he does not realize that the spending of the money will continue over months and perhaps years. I should like to see the picture depicted graphically so that the average mind may grasp it. If that were done, we should see, I am sure, a greater response in the buying of Government bonds.

Another thing which is not stated in the questions I have set forth is the suggestion that the time must come, and come soon, when the Government will determine a policy in relation to bonds, a new kind of bond, bonds running probably 3, 5, or 10 years, so that a tremendous load will not be thrown upon the Government when people start to cash in the bonds. It was suggested that perhaps one might be able to buy one of the \$100 present bonds provided he bought \$1,000 worth of period bonds.

I make these suggestions simply because I think there is value and vitality in them. The people back home are thinking things through. They are asking, "What are you going to do when these billions of bonds are suddenly thrown upon the Treasury and demand is made?" As the bonds are at present, in 90 days anyone can receive his money; that is the idea.

With all our various public-relations activities, it may be that we are suffering from a lack of a single clearing house for public information. I repeat that we have all these public information centers, all these public-relations activities, and yet there is no single clearing house from which the public may receive the information which is needed. It may be that there are too many public officials making statements concerning policies over which they have no direct responsibility. If public statements were limited to the individual directly responsible for the particular activity, we might eliminate some of the confusion which originates when many persons undertake to speak with authority on the same problem. I think that situation was well illustrated in the recent discussion concerning gasoline rationing.

I thank the Senator from Michigan for yielding to me.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6979) to authorize an increase of the number of

cadets at the United States Military Academy and to provide for maintaining the corps of cadets at authorized strength.

RECONSTRUCTION FINANCE CORPORATION

The Senate resumed the consideration of the bill (H. R. 7008) to authorize the Reconstruction Finance Corporation to issue notes, bonds, and debentures in the sum of \$5,000,000,000 in excess of existing authority.

Mr. BROWN. Mr. President, I shall be able to conclude my remarks in a very short time if I may proceed without interruption. As soon as I finish a short statement I shall be glad to yield for any questions which any Senators may wish to ask, although I think we went rather thoroughly into various phases of the bill yesterday.

Yesterday we discussed, to some extent, the fundamental reasons for the bill, and I think they are fairly well understood. I did not state the reasons why the Reconstruction Finance Corporation needs the proposed additional \$5,000,000,000.

The present status of the Reconstruction Finance Corporation is about as follows: It has a borrowing power of \$9,130,000,000. It has borrowed and has obligations outstanding at the present time in the amount of \$3,270,000,000. Therefore, it has on hand a loaning capacity of approximately \$6,000,000,000, or, to be exact, \$5,860,000,000. It has outstanding commitments of \$11,000,000,000, which are largely in connection with the war program.

So Mr. Jones feels that an additional \$5,000,000,000 should be authorized in order to cover the R. F. C.'s necessary commitments. It is believed that such a sum will fairly well cover the needs which will occur if the pending bill becomes law—needs which, of course, will require the expenditure of only a very small portion of the \$5,000,000,000. Of course, the fund is a revolving fund.

Mr. McNARY. Mr. President, I did not understand the Senator's last remark.

Mr. BROWN. I say that Mr. Jones, the Federal Loan Administrator, believes that an additional \$5,000,000,000 is needed.

Mr. McNARY. I appreciate that.

Mr. BROWN. A very small part of it would be used in connection with the subsidy proposal contained in the pending bill.

Mr. McNARY. That is very important. Of the \$5,000,000,000 which the R. F. C. now seeks, most of it would be used for commitments heretofore made; is that correct?

Mr. BROWN. Yes; I think the major part of it would be so used.

Mr. McNARY. What proportion is it expected the Reconstruction Finance Corporation will use under the provisions of this bill if it should become law?

Mr. BROWN. Insofar as the subsidy provisions of the bill are concerned, I believe that about 10 percent of this request—or \$500,000,000—should be sufficient. I discussed that matter this morning, after consideration of the mat-

ters which were brought to light yesterday by various Members of the Senate; and in behalf of the committee I am offering an amendment which would limit to \$500,000,000 the amount which might be used for subsidy payments. That is 10 percent of the total amount which is asked for in the bill insofar as the Reconstruction Finance Corporation is concerned.

Mr. McNARY. Then I understand that the entire \$5,000,000,000 asked for in the bill is not to be used for the purpose of making loans, but that a proportion of it—10 percent—is to be used for the purpose of the payment of subsidies; is that correct?

Mr. BROWN. Yes; not more than that.

Mr. McNARY. That is all that is to be used for the payment of subsidies; is that correct?

Mr. BROWN. Yes.

Mr. McNARY. Of course, such subsidies—

Mr. BROWN. If the Senator will pardon me, let me say that the last answer I made is not entirely accurate. When the R. F. C. finds it necessary to buy rubber from Brazil, or to buy any other strategic materials or metals, such purchases are empowered under the provisions of the bill, and the money would be used for that purpose.

Mr. McNARY. Has the Senator a complete list setting forth the commodities which the Reconstruction Finance Corporation desires to purchase, their nature, and whether they are domestically produced or are imported from foreign countries?

Mr. BROWN. No; I do not; but in the hearings Mr. Jones detailed the commodities at some length. In the hearings there is set forth a considerable list of the commodities which the Secretary of Commerce intends to buy under authority of the powers provided in the bill. The report does not show all the items, but the hearings do so to a very considerable extent.

Mr. McNARY. Can the Senator refer to the page of the hearings on which that information may be found?

Mr. BROWN. I believe that pages 4 and 5 of the first issue, the hearings of May 8 and 12, give in detail a considerable number of items which are to be purchased—for instance, \$1,567,000,000 for rubber, including the synthetic rubber program, and a grand total which has been or will be loaned, although not all at any one time, of a little more than \$14,000,000,000.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BROWN. I shall yield in a moment. They estimate that they are paying out from \$10,000,000 to \$12,000,000 a day in line with that program.

Now I yield to my colleague.

Mr. McNARY. Mr. President, if the Senator will defer to me for a moment, I should like to have a more direct citation of the reference to the hearings.

Mr. BROWN. Page 5 of the hearings of May 8 and 12. The Senator will find the list commencing at the upper third of the page.

Mr. McNARY. I thank the Senator.

Mr. VANDENBERG. As I understand, the able Senator from Michigan now proposes a limitation in money upon the extent to which this proposed legislation shall apply. I very respectfully suggest to him again that my feeling is that the limitation necessary is in language rather than money, because it seems to me, as the bill now stands, baldly and unequivocally and without limitation providing—

To make subsidy payments in conjunction with the production, processing, or distribution of any article or commodity; and

(2) To purchase, acquire, carry, sell, or otherwise deal in any article or commodity—

It means, so far as the public is concerned, that every pressure upon the price ceiling, from whatever source arising, will be a pressure upon this fund for reimbursement.

Mr. BROWN. I share the apprehensions of my colleague in that respect. I took the matter up with the Senator from Ohio [Mr. TAFT] last night, and we again endeavored to find some rule which could be provided, some yardstick by which we could make such a limitation. I think I am safe in saying that we both came to the conclusion that the best we could do would be to place in the bill a money limitation, which is a comparatively modest sum.

Mr. VANDENBERG. If the Senator will permit me, I think the money limitation is out of harmony with the remainder of the bill, for I think, as the bill reads, the money limitation is perfectly ridiculous, because it falls so utterly short of the promise which is inherent in the text of the proposed legislation.

Mr. BROWN. The Senator knows that I have striven for a day, or, at least, an afternoon, to limit the scope of these subsidies to the greatest possible extent.

Mr. VANDENBERG. The Senator has done so.

Mr. BROWN. I have done so by statements here which should be the basis for the construction of this bill by those having its administration in charge.

I have not quite finished my statement.

Mr. VANDENBERG. I am sorry if I interrupted the Senator.

Mr. BROWN. I feel if we place this limitation of \$500,000,000 in connection with the amount for the R. F. C., and a limitation of \$250,000,000—I have not yet alluded to that, but such an amendment will also be offered as a committee amendment—on the Commodity Credit Corporation that there would then be a definite amount which the Price Administrator and the Loan Administrator and the Secretary of Agriculture could have in mind when they met with the problem to which my colleague alludes, and that that would be a deterrent factor.

Secondly, if we would permit this proposed law to operate for a period of a few months, experience could be gained, for this is a matter with which our Government has had little or no experience—and, in the light of such experience, we could then amend this bill somewhat along the line I know my colleague wants to have it amended, and along the line I myself should like to have it amended.

I answer him further by saying that, so far as subsidies are concerned, we have considerable of a brake upon the Price Administration.

First, rules and regulations are to be established by the administrative authority; that is, by the President, as is directly stated in the bill.

Second, the Price Control Administrator must come to the conclusion that a subsidy rather than a rise in prices is necessary to cover the particular situation before him; and

Third, then there must be acquiescence by the loaning authority, who, in the case of nonagricultural commodities, is Mr. Jones, the Secretary of Commerce, and in the case of agricultural commodities the Secretary of Agriculture, Mr. Wickard. No such brake occurs with respect to purchasing power of the Commodity Credit Corporation or the purchasing power of the R. F. C., but it is in the bill with respect to the subsidy power. So I say to my colleague that that is the best we can do under the circumstances.

I should like to add a statement which I think is apropos to this argument, namely, that perhaps in some of the things which were said yesterday—I do not think the Senator from Michigan can be charged with it—there was indicated a feeling that subsidization was the main principle which was to be used to readjust unfair economic relationships or economic injuries.

That, in my judgment, though there may be some disagreement with me, is not the purpose of the pending bill. The purpose of the bill is to enable the Price Administrator to have a choice between two things when he is confronted by a situation where it is impossible for a manufacturer, a retailer, or a farmer, or anyone else to produce his goods because of excessive costs which occur by reason of the war or the war effort, costs which were unanticipated, and which make it impossible for him to live within the price limitation. When such a situation is presented to the Price Administrator we want him to have the choice of subsidizing or of permitting the price to go up. In the great majority of individual cases, such as the one the Senator from Kentucky pointed out yesterday of a concern in a certain locality, such as a public ice plant, which faces an unusual situation and finds it impossible to operate, I think the price should be permitted to go up. In such a case as I gave yesterday, involving the use of coal, the freight rate on coal having greatly increased due to the impossibility of carrying coal from the coal fields and the tidewater ports, such as Norfolk to New England, the increased cost having general effect, and the price of coal affecting the price of every commodity which is produced by the mill operators in the New England area, I think it would be better to subsidize. This bill gives the Price Administrator clear authority to make a choice in such situations, and my effort here, so far as I can, as the Senator responsible for handling the bill, is to hold down the subsidization, and along that line we have

added the limitations to which I referred this morning.

Mr. VANDENBERG. Mr. President, I know it is the Senator's anxiety to hold down the subsidies to the utmost limit, and, on the basis of the Senator's explanation of this bill, I would have no objection to it whatever, but it seems to me, in the light of our experience with some of our bureaucratic brethren down the street, we are scarcely any longer justified in relying upon the administrative discretion for the protection which we think ought to be in the text of the statute itself. My able colleague has been so specific in stating the limitations under which subsidies are to be granted that I am unable to believe that he could not put them into a textual amendment to this bill.

The only issue between us is that I am perfectly willing to trust my colleague, but I do not think my colleague is entitled to ask the Congress and the country to trust the Office of Price Administration, in spite of its very able Administrator, with a total unlimited power to commit us to the subsidization of all the production, all the processing, and all the distribution of all the articles and commodities in all the commerce of the United States. I think that is putting too big a strain on faith, hope, and charity.

Mr. ELLENDER. Mr. President, will the Senator from Michigan yield?

Mr. BROWN. I yield.

Mr. ELLENDER. In connection with the Senator's further explanation of the pending measure, will he not tell us why is it necessary for the Administrator to be authorized "to purchase, acquire, carry, sell, or otherwise deal in any article or commodity"?

The Senator has well said that the purpose of the bill—and I have understood it to be the purpose of the bill—is merely to subsidize manufacturers and others because of war conditions; because of additional expenses they are put to due to the war. Bearing that in mind, I cannot see why it is necessary to give the Administrator the additional power of purchasing, acquiring, and selling these commodities. Without in any manner advocating a subsidy, would it not simplify the administration of the bill if we were to give merely the power to subsidize and eliminate the power to purchase and sell?

Mr. TAFT. Will the Senator yield?

Mr. ELLENDER. Will not the Senator from Michigan go into a little more detail about that phase of the pending measure before yielding to the Senator from Ohio?

Mr. TAFT. Perhaps I can answer the question.

Mr. ELLENDER. I have been much confused in the last half hour as a result of the colloquy which took place among Senators.

Mr. TAFT. Perhaps I can answer the question by referring to Mr. Jones' testimony. He said:

The President has asked us to break the fall on a lot of these materials, to absorb extraordinary freight and transportation

charges, to sell things at the ceiling price fixed by the Administrator, although we may have had to pay substantially more for them when we purchased them, particularly imported materials.

I explained to you before that the War Production Board had asked us to do a number of things, including the purchasing of partly fabricated materials and reducing them to their original state, and gathering up materials and selling them, still making them available at the ceiling price.

As I explained to you at that time, that particular program will probably entail an estimated loss to us of \$320,000,000. The materials are absolutely vital, we must have them. Therefore, there is no question about the advisability of doing it.

We are gathering up scrap—metals, rubber, and other things.

Under those conditions the Senator will see they have to buy and sell. They buy the commodities and then they sell them. He refers specifically to the number of things they have bought:

We will probably take a forty or fifty million dollar loss in the transportation of sugar. We bought sugar from Cuba, and the ceiling prices were made on the basis of normal shipping conditions. Now it is many times that.

The CHAIRMAN. Many times what?

Mr. JONES. The transportation cost is many times what it was. We will probably take a twenty or twenty-five million dollar loss on molasses, which goes into making alcohol, which we sell at 50 cents a gallon, though it will probably cost us that much more.

I answer the Senator's inquiry by saying that the process of buying and selling is a very useful one. I would question far more the subsidy power than the buying and selling power. But I think the Senator from Michigan has not made clear that the difficulty in writing the subsidy clause, and cutting it down in extent, is that there are at least three different purposes for which a subsidy may be used. It may be used for the purpose of subsidizing the low-cost producer. That was the first purpose for which we were asked to legislate price control. The Government for months has been in effect subsidizing the high-cost producer of copper, so that he gets 17 cents, whereas the large copper companies are getting 12 cents, and so the Price Administrator held the price down to 12 cents.

Mr. ELLENDER. Could not the Price Administrator do that very thing under the provisions of the Emergency Price Control Act?

Mr. TAFT. As a matter of fact, I think practically everything that could be done under the pending bill could be done under the Price Control Act. There are a few respects in which the Administrator could act with greater convenience. As a matter of fact, when we come to the second subsidy ground, which was that stated yesterday with regard to excessive transportation of oil and coal, we find that under the price-control law the Price Administrator has already subsidized coal. I question somewhat whether it could be done in the way in which he has asked that it be done under the Price Control Act, but I think he could find a way under the Price Control Act to do it.

The third ground of subsidy is that it be used to assist in enforcing the new

price-control policy of the Administrator, holding retail prices exactly where they are. If that is to be brought about, there is no way of doing it, if they are not to drive everybody out of business, unless they subsidize the people in between. Personally, I disapprove the policy of price control, and if Senators want to tell the Administrator they disapprove of it, if they think it violates the object of the Price Control Act, they may say so, but it seems to me the subsidy is a rather necessary incident to that policy if we are not to drive four-fifths of the smaller retailers and wholesalers entirely out of business.

Mr. ELLENDER. Mr. President, I notice in that portion of the bill that deals with the resale of all commodities purchased, three separate provisions which, to my mind, conflict with each other. I read from page 2, beginning with line 10:

To purchase, acquire, carry, sell, or otherwise deal in any article or commodity; in such amounts or quantities, in such manner, and upon such terms and conditions, as may be determined to be necessary to increase or maintain production or distribution of such articles or commodities—

Now, listen, Senators—

except that any article or commodity so purchased may be sold at a price below the purchase price therefor.

I repeat, the language dealing with the sale of commodities, I quote "except that any article or commodity so purchased may be sold at a price below the purchase price therefor."

Now let us turn to page 3, beginning with line 9, we find this qualification as to the sale of any commodities purchased:

Sec. 4. No article or commodity purchased pursuant to section 2 or section 3 of this act shall be sold at a price in excess of any maximum price established therefor pursuant to the Emergency Price Control Act of 1942.

Which formula will the Administrator follow? I am certain Senators see the conflict at a glance and no further explanation is necessary.

That is not all; there is still another yardstick as to how some of the commodities are to be sold. Section 5—which affects only agricultural commodities—reads as follows:

Sec. 5. No power conferred by this act shall be construed to authorize any action contrary to the provisions and purposes of section 3 of the Emergency Price Control Act of 1942, and no agricultural commodity acquired pursuant to this act shall be sold within the United States by the Commodity Credit Corporation or any other governmental agency at a price below the price limitations imposed by section 3 (a) of the Emergency Price Control Act of 1942 with respect to such commodity.

Again we are confronted with a formula indicating how agricultural commodities are to be sold, notwithstanding the language contained in sections 1 and 2 just quoted. I am sure Senators see the conflict of language in the three references I have read, and what bothers me is, Which of the three formulas will the Administrator use as a yardstick?

Mr. President, it strikes me that section 4 certainly should come out of the bill and the language dealing with resale appearing in section 2 should be made to apply to all transactions of the R. F. C. and the language in section 5 should be made to apply to all transactions of the Commodity Credit Corporation.

Mr. BROWN. I myself think that section 4 is not a necessary part of the bill.

Mr. ELLENDER. Now—

Mr. BROWN. Will not the Senator permit me to say a word in my own time? I cannot answer his questions if he does not. I do not wish to be impatient, but I have been on my feet for some time. I intend to move to strike section 4 from the bill. If that is of interest to the Senator, very well.

Mr. ELLENDER. I desire to thank the Senator. If the Senator will further indulge me I would like to ask a further question. In answer to the question I asked the Senator from Michigan a moment ago, the Senator from Ohio [Mr. TAFT] stated that he was of opinion that the Administrator has enough power under the Emergency Price Control Act to handle the situation.

Mr. BROWN. I do not think the Senator from Ohio said that.

Mr. ELLENDER. I understood him to so state, and I feel confident that the RECORD will so indicate.

Mr. BROWN. The Senator from Ohio said he thought the Administrator was somewhat too circumscribed by section 2 of the Price Control Act, and that it was probably necessary to let him go into the question of distribution, which involves transportation costs, as well as production. He is confined to production by section 2 of the Price Control Act.

Mr. ELLENDER. It seems to me that we could well strike from the bill—and at the same time carry out what the Senator has in mind—lines 10 and 11 on page 2, which provision gives the Administrator the power "to purchase, acquire, carry, sell, or otherwise deal in any article or commodity." I think it would result in a better bill if the language I have just indicated were deleted.

Mr. BROWN. That is power in the R. F. C.

Mr. ELLENDER. Why repeat it? Has not the R. F. C. such powers at present or could it not be delegated under the War Powers Act?

Mr. BROWN. It is a power given the R. F. C. for the purpose of enabling them to effectuate the Price Control Act. There is the question, for example, of buying coffee from Brazil. With the transportation charges probably very excessive, the Corporation has the right to buy Brazilian coffee and sell it at a loss in the United States, so that the American people may have it without exorbitant charges.

Mr. ELLENDER. As I understand the bill, the same provision would also apply to the Commodity Credit Corporation. Am I correct?

Mr. BROWN. The Senator is correct.

Mr. ELLENDER. Then why give the Commodity Credit Corporation the right

to purchase, acquire, sell, and otherwise deal in any article or commodity?

Mr. BROWN. Because the administrative authority headed by the President of the Senate, the Vice President of the United States, have by executive order, under the War Powers Act, placed upon the Commodity Credit Corporation the task of buying all foreign agricultural commodities which are needed in the United States.

Mr. ELLENDER. Then are we to understand that the provision is not to apply to domestic commodities?

Mr. BROWN. I did not say that.

Mr. ELLENDER. The Senator would intimate it from his answer.

Mr. BROWN. No; I say they have been given the power, and they have to have some money for the job, and they must do what is provided, because under the War Powers Act they are legally required to do it, and the Reconstruction Finance Corporation is no longer to be concerned in the purchase of agricultural commodities. The Commodity Credit Corporation, as the Senator knows, has long engaged in the task of purchasing domestic commodities to assist farmers to obtain parity prices, and I do not see any difference between that and what is contained in the bill.

Mr. ELLENDER. Mr. President, the committee amendments proposed are far-reaching and I feel that more study should be made of this intricate problem. I shall, in my own time, further discuss these amendments.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Does the Senator from Michigan yield to the Senator from Oregon?

Mr. BROWN. I yield.

Mr. McNARY. I have only one suggestion to offer. We have considered section 2 quite apart from section 3. They involve different purposes and different agencies of the Government. The Senator was discussing the subsidy limitation, applicable only to the Reconstruction Finance Corporation's use of the \$5,000,000,000, when he was interrupted. Am I correct?

Mr. BROWN. Yes; but the Senator understands that there is to be a limitation on the Commodity Credit Corporation also.

Mr. McNARY. Let us take one at a time.

Mr. O'MAHONEY. Mr. President, will the Senator permit me to interrupt for a question?

Mr. McNARY. Certainly.

Mr. O'MAHONEY. I dare to trespass upon the time of the Senator from Michigan and the Senator from Oregon because the subcommittee of the Committee on Appropriations handling District of Columbia appropriations will meet again at 2 o'clock, and I am extremely interested in the pending bill, so I desire to notify the Senator from Michigan and the Senator that it is my purpose to make a motion to recommit the bill. If I may do so, Mr. President, I should like to make the motion now, if the Senator from Michigan will yield for that purpose.

Mr. BROWN. I should not like to have the Senator argue that at this time.

Mr. O'MAHONEY. I do not intend to.

The PRESIDING OFFICER. Does the Senator from Michigan yield for the purpose of enabling the Senator from Wyoming to make the motion?

Mr. BROWN. I yield.

Mr. O'MAHONEY. Mr. President, I now move that the bill be recommitted to the Senate Committee on Banking and Currency. I do that at this time because it will be necessary for me to leave the floor at 2 o'clock to continue committee hearings, and I wish very much to have the opportunity of laying before the Senate the reasons why I believe that the sound objectives which the Senator from Michigan seeks to attain can better be reached by the action of the committee than by a prolongation of the discussion here. I thank the Senator from Michigan very much for permitting me to make that statement.

Mr. McNARY. Mr. President, will the Senator yield to me?

Mr. BROWN. I yield.

Mr. McNARY. I do not wish to interfere with the presentation being made by the able Senator from Michigan.

Mr. BROWN. I was about through.

Mr. McNARY. On the question of subsidies, I agree with the Senator in charge of the bill that limiting to \$500,000,000 the amount which could be devoted from the \$5,000,000,000 to subsidies would be a deterrent, and be a signboard to which the Corporation could point to all those who had claims and schemes and proposals and propositions to offer. I would prefer direct language, but I do not believe language could be framed to meet this situation, if it is proposed to meet it at all. So I am rather in accord with the Senator's view that there should be a limitation on the amount which could be used for subsidies, much as I dislike them, and I do not think they are altogether necessary to carry on the objectives to which the Senator refers in this bill. But I do commend him for the proposition he is going to offer.

Mr. President, I have on my desk the Emergency Price Control Act which the able Senator from Michigan fathered and guided through the Senate. I refer to subsection (e) of section 2, with which the Senator is very conversant. It is to be found on page 4 of the act. That seems to give to the Price Administrator all the power which is now attempted to be given in sections 2 and 3 of the pending bill. Subsection (e) of section 2 clothes the Administrator with plenary power to do about anything that is necessary to stabilize prices, to promote and increase production, and to render more speedy the distribution of products, and even to pay subsidies.

Mr. BROWN. I may state to the Senator at this point that he will find in the hearings that I took the same position the Senator from Oregon is now taking in questions I asked of the Government representative, and that I then thought all they needed was some money to carry out the provisions of subsection (e). The only real difference, in my

estimation, between subsection (e) and the language of the pending bill is that under the Price Control Act we confine action to encouragement of production. It was felt that there was a distribution problem involved—freight prices, for example—that is the best example we had before us—and that there should be authority to "pay the freight," as one might say, where necessary. In my judgment, that is the only real difference between subsection (e) and the language of the pending bill.

Mr. McNARY. That answers the very inquiry the Senator made before his committee. If that is what is wanted, why not put it into the language of the bill? But in the bill now before the Senate its sponsors go into production, and processing, and distribution, which is wholly covered by subsection (e) of the Emergency Price Control Act. That gives the Price Administrator the right to buy any agricultural commodity he wants, or any other commodity, nonagricultural, and to process or distribute it.

Mr. President, it seems to me there will be in that regard a multiplication of statutes. I have great objection to the philosophy of creating too many agencies and dividing authority and power. There ought to be centralization. We have talked about a dictator in a democracy, which I do favor in times of great emergency in connection with a global war. But what have we under subsection (e)? In the purchasing of a can of tomatoes we have the Surplus Marketing Corporation, we have also the Price Control Administrator, and now an attempt is being made to confer such authority on the Commodity Credit Corporation. All three, with Government funds, will be out to deal with the poor farmers over some of the products of the soil, and they will be so confused that they will run in fear and doubt. That is one objection.

Secondly, what is proposed by the pending bill? It is proposed that the Commodity Credit Corporation may buy these various articles, whether they be tomatoes, or pears, or prunes, or cotton, or wheat, or what not, but the request must come from the Price Administrator. Then he must talk to the Secretary of Agriculture. If the Secretary of Agriculture does not veto it, then he must see the President, and have the President make a ruling. So there will be four agencies dealing with the matter, multiplied by the three agencies now existing under statutory law—all dealing possibly with a can of bean soup. That is the objection I have.

One of the difficulties facing one in public life or the people living in the country today is the inability to find the man responsible for any one particular action necessary to sustain the war and to carry on our domestic activities. I think by this bill we shall further be dividing and subdividing responsibility and authority, until I do not know what a poor fellow living in the country will do, or what a Representative in Congress will do, or what the man on the street will do, or, for that matter, any living citizen.

This bill will add to the difficulties and the embarrassment and the confusion of a confused situation. That is why I object to the philosophy underlying the bill, and shall vote for the motion of the Senator from Wyoming [Mr. O'MAHONEY]. I do not wish to take the Senator's time further. I shall probably say something more a little later.

Mr. BROWN. I wish the Senator from Oregon had made that very moving speech at the time of the submission of the Bankhead amendment to the price-control bill. Those in charge of the legislation felt that the authority should be centralized in one man, but the Senator from Oregon and many other Senators—in fact, the majority of Senators—joined in insisting that there should be a dual control in the Secretary of Agriculture and the Price Administrator, as well as the President.

Mr. McNARY. Exactly. I wanted all matters appertaining to the farm, to the soil, to the farmer to be regulated by a farm organization—not by the Department of Agriculture—and not by a new man coming in on the scene; and I stand on that.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. WHEELER. I feel like apologizing to the Senator from Michigan for taking up his time, but I wish to call attention to the subject of coal. The Senator spoke about "paying the freight." What has happened in respect to the increase in freight rates is this: The railroad brotherhoods asked for an increase in wages, and received the increase. I had no objection to that because I think possibly they were entitled to it, although I did not go into the facts. Immediately thereafter the railroads applied to the Interstate Commerce Commission for an increase in freight rates, and the Interstate Commerce Commission allowed an increase.

The Senator from Michigan talked about "paying the freight." As I understand, freight rates, on the whole, to New England are being raised, not because of the war, but because the Interstate Commerce Commission increased freight rates on the railroads at the time the railroad brotherhoods received their increase in wages. I never felt that the railroads needed so great an increase in freight rates as they received.

A couple of years ago representatives of the railroads and the railroad brotherhoods came to me and met jointly with me, as chairman of the Senate Committee on Interstate Commerce, and suggested that the Government subsidize the railroads, and said that that was the solution of the railroad problem. I immediately said that, so far as I was concerned, I was opposed to it, and that I would fight any subsidies being paid to the railroads by the Government because I did not think it was proper for the Government to do so; that I thought it was the wrong policy to pursue, and I said to them then that if the Government were to begin the policy of subsidizing the railroads the result would be that every industry in the United States would

come to Washington and bring pressure on the Government to subsidize this, that, and the other industry.

The other day the Interstate Commerce Committee held hearings upon the question of whether there should be a consolidation of the Western Union and the Postal Telegraph companies.

A couple of years ago I introduced a resolution for the purpose of investigating the question of whether there should be a consolidation of the Western Union and Postal companies. The subcommittee held hearings, and subsequently a bill was introduced. Hearings are now being held.

At that time some of the labor representatives were in favor of a consolidation. The other day they came in and said they were opposed to the consolidation of the Postal and Western Union, but that what they wanted was to have the Government subsidize the Postal Telegraph Co.

If this bill should be enacted into law every single industry in the country would say, "Because we have had to increase wages the Government should subsidize our particular industry." The bill would give more power to any one man or group of men than any man or group of men in the United States should have, in that it would enable the one in authority to say what industry should be subsidized and what should not be subsidized. There would be inequalities. In my judgment, to start subsidizing various industries, would be one of the most dangerous policies the Government has ever adopted. It is beyond my comprehension that we should say that Mr. Henderson, Mr. Jones, or any other man should have such power at this time. I repeat, it would be one of the most dangerous policies the Government has ever adopted.

When representatives of the railroads came asking for a subsidy I said to them, "If you come asking for a subsidy, what you will get will be Government ownership of railroads." If we start subsidizing industry, sooner or later the great mass of the people of the country, the taxpayers, will say, "We are not going to subsidize these industries. We are going to take them over."

That would be much more logical than to have all the taxpayers of the country pay taxes in order to subsidize some particular industry, especially when we consider the oil industry. What does the Senator think the workingman who is to be taxed will say? The single man is to be taxed down to \$500 of his income, and the married man down to \$750? What does the Senator think the poor fellow on the farm and the worker in the factory will say when they find that the oil companies of the country are being subsidized to help one section of the country when they know, as everyone else knows, that the oil companies fix the price of gasoline from one end of the country to the other in peacetime or any other time. I cannot comprehend a thing of this kind being started at this time.

Mr. BROWN. Mr. President, the Senator said all that yesterday. I thought we went into the question thor-

oughly. The Senator does not state his premises fairly at all. There is no intention to subsidize railroads. There is no intention to subsidize oil companies. I so stated very distinctly to the Senator yesterday. He does not at all refer to the fact that payments are to be made to take care of the difference between the rail freight rate from Norfolk, Va., we will say, to Boston, and the water-freight rate from Norfolk to Boston. Because our barges and tankers are unable to operate on the Atlantic Ocean there has been an enormous increase in freight charges. The railroads do not want that business. They have all the business they can handle at the present time.

Mr. WHEELER. I know something about the railroads—

Mr. BROWN. Mr. President, I have the floor. I was very kind to the Senator, and yielded to him for some time. I wish he would let me make my statement, and then I shall be glad to yield to him again.

In the committee we were informed that the railroads did not want that business because they are not equipped to carry that particular type of freight from Norfolk to Boston. It has always been carried upon the ocean.

I can give the Senator another example. As he well knows, the railroads could not possibly handle the ore trade from the Duluth region and the Michigan ranges to the Lake Erie ports and the Pittsburgh and Youngstown areas. They have not the cars or the equipment with which to do it. It is a water transportation problem, for which facilities have been built up. If that transportation were suddenly menaced by submarines or airplanes—it is difficult to imagine that such a thing could happen on the Great Lakes—or if the Soo Canal were blocked, we should have such a situation that the railroads could not possibly handle the ore trade. They never have handled it. They are unable to handle it. Likewise, they have not the facilities, without tremendously straining their present equipment, to carry coal from West Virginia and Pennsylvania to New England.

Therefore the theory of the bill is to provide the additional cost through the Public Treasury and the R. F. C. rather than to have that cost put upon the products of manufacturing establishments.

On that point let me read to the Senate the testimony of Mr. Henderson.

We had been studying very carefully the Canadian experience with the general freezing that they put into operation last December.

That is, the freezing of prices.

We have had our men in Ottawa constantly, and they have had a representative here, and we have been exchanging our experience. It was evident that some base period had to be chosen as the date of the stabilization of prices and that every effort needed to be made to hold that thing rigidly to the line.

The one outstanding piece of advice that I got from Donald Gordon, who is my opposite number in the Canadian experience, was this: The only big mistakes that they made have been to puncture the ceiling—

that is, to raise the price of any commodity at the retail line.

Senator BROWN. Have you done that?

Mr. HENDERSON. No; I say the Canadians did.

Senator BROWN. You say that that is the mistake they made?

Mr. HENDERSON. Mr. Gordon told me that the only big mistake that he made was, when under pressure and there seemed to be no other way to go, to allow a price increase, the effect on the holding of the price structure being so pronounced that he said every effort ought to be made to hold the price structure intact and to make the adjustments by other means.

The Canadian price control authority, as the committee knows, derives from an order in council, and there is a very close relation between Mr. Gordon, as the head of the War-time Price and Trade Board, and the Minister of Finance.

The Canadian experience as well as the English experience in the matter of maintaining firmness of the price ceilings by means of appropriate arrangements and subsidies is so convincing and has been so convincing to us that we have felt the necessity for some similar arrangement here.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. WHEELER. The Senator says that it is proposed to pay the difference between the cost of shipping by water and the cost of shipping by rail.

Mr. BROWN. Yes.

Mr. WHEELER. Let us stop and analyze that proposal. The Senator says that the railroads cannot handle certain business. The railroads will be compelled to handle it.

Mr. BROWN. I said they could not handle it without a great strain on their facilities.

Mr. WHEELER. They will be compelled to handle it. There is no other way to handle it. If the people of New England and the East want gasoline, why should they not be willing to pay the extra cost of shipping it by rail, as do the people of Montana and other sections of the country where the only means of transportation is by railroad or pipe line? If we are to subsidize the railroads, we shall simply say, "Because this pipe line is broken and cannot be used, and it is necessary to ship by rail, we will pay the difference between the cost of transportation by pipe line and the cost of transportation by rail."

The Senator says that the railroads do not want the business. Let me say to the Senator that he did not consult the railroad executives and get that statement from them. They do want the business. In the past such traffic has resorted to tankers, and the railroads have complained because of the fact that other forms of transportation were taking their business away from them. The railroads wanted a subsidy because, as they said, "We have to have it in order to exist, because other forms of transportation are taking our business away." Railroad representatives even proposed to me that a subsidy or loan of \$1,000,000,000 be granted, and that a 5-percent tax be put on all other forms of transportation to pay back the \$1,000,000,000 loan. I said,

"That is perfectly absurd; the other forms of transportation will not stand for it."

In great areas of this country, including Michigan, oil must be obtained either by pipe line or by railroad in tank cars. Why should we say to the people in one section, "We will pay a part of the freight which you have to pay, and will make the people in some other section who have to get their gasoline by freight help to pay your freight bill in order that you may get gasoline cheaper"? In my judgment, the proposal does not make sense. It would be a dangerous policy for the Government to inaugurate. If the proposal were to build more tankers to bring in the gasoline, and to protect them, I should agree.

Mr. BROWN. Of course, we are doing so.

Mr. WHEELER. Of course, we are doing so. But when it is said that merely because such traffic must resort to freight cars and be hauled by rail, as against tankers, for the reason the tankers cannot haul it at the present time, that is simply saying to one segment of the people of the United States, "You will have to pay the extra freight, because these other people cannot do so."

Mr. BROWN. The Senator recognizes that that dislodgment is due to the war, does he not?

Mr. WHEELER. Yes; that particular dislodgment is due to the war; but the increase in freight rates was not due to the war.

Mr. BROWN. We are not proposing a subsidy for that purpose.

Mr. WHEELER. There is no limitation in the bill. Under the terms of the bill a subsidy might be given to anybody for any reason. The reason might be that there is an increase in wages due to the war. A subsidy might be granted on that ground. Anything that happens anywhere in the world within the next 6 months may be said to be due to the war. Either directly or indirectly, it will be due to the war. That condition might be urged as a ground for granting a subsidy to many industries.

I apologize to the Senator for taking so much time. I have no objection—and I do not think anyone else has—to the first paragraph in the bill, granting an increase of \$5,000,000,000 to the R. F. C. I am perfectly willing to grant whatever is felt to be necessary for that purpose; but as to its other provisions, I shall vote either to reject the committee amendments or to recommit the bill.

Mr. BROWN. I said on several occasions yesterday, when many Senators who are now present were not in the Chamber, that we are faced with the necessity of determining whether it is best to let the price ceiling go up.

Mr. WHEELER. Not entirely.

Mr. BROWN. Is it best to let it go up—to "puncture the ceiling," as the expression was used in the hearings—or is it best to subsidize? I say that discretion must be lodged somewhere; and I do not know where to put it other than in the President of the United States, through his agents, under rules and regulations which he is to establish. We must give

to someone authority to do whichever of the two is best under all the circumstances. That is all the pending bill proposes.

True, we limit the amount. We want to have a little experience along this line. The Senator from Michigan has no personal interest at all in this matter. I did not introduce the bill; I was not even a member of the subcommittee which handled the bill; but because I had handled the price-control bill in the Senate, the chairman of the Committee on Banking and Currency, the Senator from New York [Mr. WAGNER] asked me to handle the pending bill. I became convinced, the Price Administrator was convinced, Mr. Jones—who has had more experience in handling matters of this kind than has any other officer of the Government—was convinced, and the President was convinced that we should provide the proposed authority in order to prevent greater economic readjustment and changes, and that we should vest in someone the authority to do one or the other, whichever might be best.

As I have said many times, in a great many instances it will be better to let prices go up a little. Undoubtedly, in other instances, such as in the case of coal, it will be better to "pay the freight"—the difference between the rail freight and water freight—in order to prevent the immense adjustments which otherwise would be necessary in the price structure.

Mr. WHEELER. Let me call the Senator's attention to the fact that all the coal transported to New England has not gone by boat, of course.

Mr. BROWN. No; but the major part of it has gone by boat.

Mr. WHEELER. Some of the coal from Pennsylvania goes into New England by rail.

Mr. BROWN. That is true.

Mr. WHEELER. Some of the coal going to New England has moved from Norfolk by boat. We would confront the question of discrimination, for one group would say, "We are getting our coal by rail from Pennsylvania, and it is going into all sections of New England, and another grade of coal is coming in by boat."

Mr. BROWN. Certainly; Congress could not settle the question of freight rates.

Mr. WHEELER. Of course not; but it should be done.

Mr. BROWN. The Senator has been one of the chief advocates of giving the Interstate Commerce Commission proper authority along that line, and it was proper that we should do so.

In the pending bill we seek to give someone the authority to decide when it is best to subsidize and when it is best to let the price ceilings go up.

Mr. WHEELER. The only thing the Senator from Montana has been advocating with reference to the Interstate Commerce Commission is giving them power, under certain definite rules and prescriptions laid down by the Congress of the United States, to regulate freight rates both upon the sea and upon the

rails. I have never advocated turning over to the Interstate Commerce Commission, or to any other agency, unlimited power to do almost everything under the sun, as this bill proposes.

So long as I am a Member of the Senate I hope I shall never come before the Senate and advocate granting unlimited power to Mr. Henderson or to anyone else to subsidize any and every industry in the United States which he may see fit to subsidize.

Mr. BROWN. Of course, the Senator knows that we have repeatedly stated the many limitations which are placed upon the Price Administrator by existing law; and I shall not consume the time of the Senate to restate them.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. BROWN. I yield to the Senator from Georgia.

Mr. GEORGE. I should like to make an inquiry of the Senator from Michigan; and I know he will be indulgent with me, because I have been patient with the theory of the pending bill.

Mr. BROWN. I know the Senator has been patient.

Mr. GEORGE. The difficulty, as I see it, is that the bill proposes no standards by which there can be a determination as to when an industry is entitled to a subsidy and when it is not; that is, when, by virtue of a price ceiling, an industry stands to lose unless it receives something in the form of a subsidy to tide it over. The bill proposes no standard save the unlimited, uncontrolled, undirected discretion of the Price Administrator, the Commodity Credit Corporation, or the Reconstruction Finance Corporation.

That seems to me to be the weakness of the program and of the proposal. After a very careful and sympathetic consideration of the whole matter, I am unable to understand how we can ever pay subsidies to one industry and ultimately avoid the payment of subsidies to every other industry which may come before us and say, "By virtue of the price ceilings we have lost money or we are losing it. We cannot live under the price ceilings."

The Senator properly says that in certain instances it would be better to let the prices rise and in others it would be better to subsidize. I do not quarrel with that theory; I think probably his statement is correct.

However, the bill provides no standard by which to determine which would apply. The bill simply provides broad power to subsidize the producer, the processor, or the distributor. I do not believe—and in my opinion experience will show nothing to the contrary—that we can grant relief by way of subsidy to one industry without ultimately being compelled to grant it to all other industries. I do not think we get around that difficulty by mere money limitations; because I have seen appropriations increased time after time, and parity or subsidy appropriations constantly mount. In my opinion, that is what we shall see again if the pending bill becomes law.

I think I fully appreciate the danger inherent in rapidly spiraling prices. I

doubt if a great many officers of the Government today have properly evaluated the offsetting factors as applied to any abnormal increases in costs.

There are all kinds of offsetting factors which militate against prices going entirely out of reason at this time. Six or 8 months from now, when consumers' goods will have been taken off the shelves and consumed, and will not be replaced or replaceable, we may see a quite serious situation; but I do think there is always enough possibility of a rapidly rising price level to justify every proper step which can be taken to hold down prices.

I am submitting to the Senator, because he is open-minded and fair-minded about all legislative proposals, the objection which seems to me to be obvious in connection with the pending bill; namely, that once we pay a subsidy to any producer, distributor, or processor who may be adversely affected by the price ceiling, we shall not be able to deny it to others and still others, until we shall have taken in practically all producers, distributors, and processors in the entire country. That would be as bad, I fear, as some inflation or some increase in living costs. That is what I fear.

In the pending bill it is proposed to give this vast power without any direction as to when it shall be used and how it shall be used; and, therefore, I know that in almost every case pressure will be brought on the Price Administrator and the Commodity Credit Corporation to grant subsidies. In almost every instance a case can be made out to show that the particular person, firm, or industry concerned cannot make any money, but will lose money—and some of them will lose money—because of the price limitations which will be fixed. That, we must admit, is so when wages, the great factor in the cost of production, are not controlled. It may be that efforts are being made to adjust wages and to stabilize them, but that is far from controlling them. Day by day and hour by hour we see the wage scale advancing.

I fear that in our anxiety to prevent a rapidly rising price level we may give such broad discretion, without direction or control, that the remedy will be about as bad as if we simply ignored the remedy and took the consequences.

Mr. BROWN. I thank the Senator. I believe that by the general price order we have fairly well prevented inflation. A great task of the Administration is to maintain that general order. It is a situation which, as the Senator from Georgia points out, presents a dilemma with respect to which it is most difficult to legislate.

I recognize the force of the argument that a vast amount of power has been given to the Administrator and that an additional amount is being given by this bill; but I know of no way to avoid it. I could give a great many instances with which Senators are familiar of similar grants having been made. I do not know of any grant which has ever been made by a legislative body which exceeded that conferred by the second war powers act which was sponsored by the Senator

from Wyoming. There is not a commodity which we know anything about which could not be withheld from the public under the provisions of the second war powers act.

What is the experience in Canada? What is the experience in England? I did not know until the hearings, that the Canadian Parliament never passed a price-control bill; there was no legislation whatsoever upon the subject; but because the ministry was given authority by what is known as orders in council to do a great number of things, the Ministry issued orders which were tantamount to our price-control bill. That was the source of the Canadian price-control law. Likewise, I understand—I am not so familiar with this situation—it is the case of England itself with respect to price control. We have simply come into a dictatorship economy with regard to our business affairs, and I do not know how we can avoid it.

Like the Senator from Georgia [Mr. GEORGE], my colleague, the Senator from Michigan [Mr. VANDENBERG], and many other Senators, I should like to chart the course, so far as we can do so, by statutory enactment which the Price Administrator will take with respect to this matter; and we strove in committee to do so.

I feel that there are more limitations than Senators generally are aware of, because this bill is tied into the Price Control Act by the first sentence in section 51 which reads:

In order fully to effectuate the purposes of the Emergency Price Control Act of 1942—

And so forth. There are many limitations in the Price Control Act with which Senators are familiar.

So far as I can see, the only way to handle this situation is to limit the amount of money, as will be done by amendment, which may be used for the purposes contemplated by the bill, and to have an experience of 4 or 5 months, and, then, based upon such experience, when we appropriate larger amounts, if larger amounts be found necessary, chart a more definite course and lay down more definite limitations.

I find such Senators as my colleague and the Senator from Georgia saying that we should write the limitations into the bill; but, in the entire 2 days I have stood on my feet and argued this question, I have not heard any Senator suggest one limitation that could be placed in the statute to direct the Price Control Administrator or the Federal Loan Administrator or the Secretary of Agriculture in this respect.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BROWN. I yield to my colleague.

Mr. VANDENBERG. The Senator has not been listening carefully to himself. I have heard one Senator define the precise limitations I want to see in this bill, and they were enunciated clearly and distinctly and unequivocally by the junior Senator from Michigan.

Mr. BROWN. I thank my colleague for his statement. I assume he refers to the statement I made that the operations of the bill should be confined to

such dislodgments as were caused by the war or in connection with the war effort, but I feel that that limitation is contained in the first sentence of the bill.

In order fully to effectuate the purposes of the Emergency Price Control Act of 1942—

And so forth. The price-control law is, of course, an emergency measure; it is based upon the situation in which we find ourselves due to the war. My opinion is that that limitation I have indicated is already in the bill, but I have striven all along to give my own construction of what ought to guide the Price Administrator by my statements in this debate, and, in addition, there are the statements of my colleague [Mr. VANDENBERG], the Senator from Georgia [Mr. GEORGE], and other Senators who have discussed it.

Mr. VANDENBERG. Mr. President, will the Senator yield again?

Mr. BROWN. It is possible that if we should follow the course suggested by the Senator from Wyoming that something might be worked out along that line, but I am by no means sure that I would not very much prefer to limit the amount that could be used and to have the experience of a couple of months or 4 months and then legislate further on this tremendous program. I will yield to my colleague in a moment, and then I hope to conclude, but there is one further thought I desire to leave with the Senate. I feel both methods must be used, namely, an increase in prices when necessary and subsidies when necessary, and I want to give someone the authority who can intelligently decide that question. I now yield to my colleague.

Mr. VANDENBERG. In addition to the limitation which the Senator has just quoted himself as previously asserting, I remind him that he also said—and he had Mr. Henderson's word as further authority for it—that the purpose of the bill is to meet situations which arise in industry.

Mr. BROWN. As a whole.

Mr. VANDENBERG. Yes; in industry as a whole, instead of in respect to individual difficulties that may arise.

Mr. BROWN. Yes; I think that is true.

Mr. VANDENBERG. That is another limitation which is totally lacking in the text of the bill itself, and certainly it is lacking in the original price-control bill. So, it seems to me that the Senator's candor—and he has been wholly frank with us in dealing with this question—indicates the wisdom of adopting the motion of the Senator from Wyoming [Mr. O'MAHONEY] so as to give the Banking and Currency Committee an opportunity to make one further effort to make the bill say what my able colleague says it is intended to mean.

Mr. BROWN. Mr. President, I have occupied all the time I care to take upon the bill itself. I understand various amendments will be offered, and I shall have something to say when they are presented. I hope the Senate will now listen to the Senator from Ohio, who has been with me in making a thorough study of the entire subject of price control, and who, I know, will make a very valuable contribution to this debate.

Mr. TAFT. Mr. President—

The PRESIDING OFFICER. The Chair will recognize the Senator from Ohio just as soon as he states the question. The question is on the motion of the Senator from Wyoming [Mr. O'MAHONEY] to recommit House bill 7008, Calendar No. 1404, to the Committee on Banking and Currency.

Mr. TAFT obtained the floor.

Mr. BROWN. Mr. President, will the Senator from Ohio yield to me?

Mr. TAFT. I yield.

Mr. BROWN. Mr. President, I yielded on the understanding—and I thought I so stated distinctly—that we would first go through with the bill and amend it, and then take up the motion of the Senator from Wyoming. I so stated to him, and I thought he understood the matter in that way. If that is not the case, I ask unanimous consent that the parliamentary status be as follows: That the Senate consider the bill and the amendments thereto, and then vote on the motion of the Senator from Wyoming, if it be in order.

Mr. VANDENBERG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Gillette	O'Daniel
Andrews	Glass	O'Mahoney
Austin	Green	Pepper
Bailey	Gurney	Radcliffe
Ball	Hatch	Reynolds
Bankhead	Hayden	Rosier
Barbour	Herring	Schwartz
Barkley	Hill	Shipstead
Bilbo	Holman	Smathers
Bone	Hughes	Smith
Brown	Johnson, Calif.	Spencer
Bulow	Johnson, Colo.	Taft
Burton	Kilgore	Thomas, Okla.
Byrd	La Follette	Truman
Capper	Langer	Tunnell
Caraway	Lucas	Tydings
Chavez	McCarran	Vandenberg
Clark, Idaho	McFarland	Van Nuys
Clark, Mo.	McNary	Wagner
Connally	Maloney	Walsh
Danaher	Maybank	Wheeler
Davis	Mead	White
Doxey	Millikin	Wiley
Ellender	Murdock	Willis
George	Norris	
Gerry	Nye	

The PRESIDING OFFICER. Seventy-six Senators having answered to their names, a quorum is present.

Mr. BROWN. Mr. President, I am advised by the parliamentarian that the Senator from Wyoming [Mr. O'MAHONEY] would have a right to make the motion to recommit at any time during the proceedings. Under those circumstances, I withdraw my request for unanimous consent.

Mr. TAFT. Mr. President, the pending bill as it passed the House of Representatives merely included the provision to increase the borrowing power of the Reconstruction Finance Corporation by \$5,000,000,000. I think there is no question about the need for that sum. Mr. Jones testified that he already had committed that amount for war purposes. It is interesting to note that the Reconstruction Finance Corporation commitments for the war to date total about \$14,000,000,000, and form a very important addition to the Budget and the

appropriations which we have been making for war purposes.

Section 2 was proposed by the committee. I did not have any great objection to section 2, and I have only tried to work out proper provisions in the section. It did not seem to me to add anything to the subsidy principle already established in the Price Control Act. It makes it a little clearer as to what the powers are and how they may be exercised, but the Price Control Act itself authorized the Administrator to buy or sell any commodity and sell at a loss, and to make subsidy payments to domestic producers of such commodities in such amount as he might deem necessary to secure the necessary production thereof.

That power he has apparently already exercised, because on May 20 he issued an order which provides for a subsidy for coal going to New England. He apparently issued that order under the provisions of the Price Control Act, although I think it is somewhat doubtful whether it can in fact be justified by that act, because it seems to be in form a subsidy to distributors instead of a subsidy to producers. However, this coal subsidy might have been given directly to the mines. They could be given a subsidy for all coal sold for delivery in New England, and I should think the same purpose might be accomplished within the terms of the Price Control Act, though not quite so conveniently.

Under the Price Control Act the Administrator may, with the President's authority, at least, transfer any of his power to the R. F. C., or any of its subsidiaries. Those powers may be transferred to the Commodity Credit Corporation under the Overman Act, which we reenacted. So that I see nothing which would really make it necessary to enact another law.

It seemed to me, however, that there was some advantage, if that power was a recognized power, and Congress was going to grant it, in making it perfectly clear that the powers were all-extensive, and that the Administrator could exercise them in the most convenient way. It may be more convenient in this set-up, if we are to subsidize, to subsidize the distributor, instead of always going back to the producer. These alterations are minor, in my opinion, and do not change the policy of the Price Control Act.

As I understand, there are three different purposes for which the Administrator now intends to use the principle of subsidy payments. In the first place, as he told us before we enacted the Price Control Act, he has been subsidizing high-cost producers, of copper, for instance, paying 17 cents to some producers of copper, while the large producers are required to hold their selling price down to 12 cents. There is no doubt that through that operation, rather than letting the price go to 17 cents and paying everyone 17 cents, he has saved large sums to the Government of the United States. There is no question that our copper, practically all of which is consumed by the Government, is obtained by the Government at a much lower price.

The second proposed method of subsidizing has to do with extraordinary freight situations, such as are produced by the submarine campaigns on the Atlantic seaboard, and the fact that that is imposing an especially heavy burden on eastern consumers of coal and oil, whom we may wish to relieve. Mr. Henderson desires to relieve them, not for the sake of the consumers in the Eastern States but in order to prevent a general rise in the prices of coal and oil throughout the East and the inflationary effect which that might have.

I somewhat question whether that is wise. It is certainly a tremendously expensive policy. The coal order which has been issued was stated in the first instance to contemplate the expenditure during the year of \$40,000,000 in the matter of coal alone. If we undertook to subsidize gasoline at anything like a dollar a barrel, it would run into a perfectly tremendous cost, something like a million dollars a day. I am not familiar with the figures, but a dollar a barrel was mentioned here yesterday. However, you may wish to pay such a subsidy.

The third method is a general subsidy in connection with the price-control system which Mr. Henderson has announced in his general freeze order. I wish to talk today principally about the question whether Congress approves of that method of fixing prices or not, because it seems to me that this general subsidy power—and it is pretty hard to restrict the purpose of the subsidy in any way—is probably a necessary incident to the price-control system which Mr. Henderson has adopted. I think the adoption of that system is absolutely contrary to the whole theory of the Price Control Act. It is contrary to the system that Mr. Henderson told us he was going to put into effect when he was before us in connection with the hearings on price control. Yet it is a popular system. We have heard over and over again about the desirability of a universal ceiling. It has apparently succeeded in Canada, or is said to have succeeded in Canada, and it may be that that system is correct. Personally I do not agree with it. I think really the question before the Senate is more whether the Senate thinks that system should be improved and implemented, or whether it is going to say, "No; we think that is an impossible system to carry out."

In the first place, the new system entirely departs from the theory of the Price Control Act. That act was based on the theory of commodity control. It was based on the theory that the Administrator would determine the price of the basic commodity in the hands of the producer or in the central market; that he would fix that price on those things that are of the most importance in our economy and leave most of the other questions alone. That he would fix that price; then he would determine what the manufacturer's cost should be and add a reasonable margin, and then perhaps add a margin for the wholesaler, and then, if necessary, for the retailer, but it was generally agreed in our committee discussion that it would be unfortunate

to have to go on and regulate retail prices.

It was felt that we could enforce them by a general insistence that retailers not profiteer, and that very likely there would be no profiteering; that if the basic price were controlled, that would be sufficient. In my opinion price control can be had only if we can control the basic price.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. SHIPSTEAD. I noticed in yesterday's CONGRESSIONAL RECORD a table of 20 commodities or agricultural products which are below parity, and 5 which are at parity or above parity. Was there any discussion in the committee about a subsidy for agricultural products which are below parity?

Mr. TAFT. I think it is contemplated that there might be such a subsidy. There was some discussion, for instance, of the question of bakers; how we are going to deal with the situation of bakers. Bakers say today that they are unable to operate within the price limit on bread, because of the cost of flour. Mr. Henderson said he could make millers sell flour at a low price and subsidize the millers to that extent. I do not think there was any proposal of a direct subsidy to the farmer, except in the case of sugar. We know that sugar and molasses from Cuba are being subsidized, I believe, in order to provide reasonably cheap sugar.

Mr. SHIPSTEAD. But was there any discussion of subsidizing the low prices of agriculture? I notice that wheat is selling at about the same price that it was in 1896 and 1897. Bread, of course, is very much higher. I am interested in the raw products produced by the farmer which are selling at below parity by reason of the high cost of labor, of machinery, and of high taxes.

Mr. TAFT. What we did here the other day is in effect a subsidy to the corn producer, because we adopted a provision which will in effect hold the price of corn down to 82 cents, and then we adopted a parity provision providing that we are going to pay the farmer the difference between 82 cents and about 97 cents. So we have a subsidy on corn in the agricultural appropriation bill.

I think there would be nothing to prohibit the Administrator under this measure from doing something of the same sort for some other product. I do not know that it has been proposed.

Mr. SHIPSTEAD. I think it should be provided for, because farmers cannot live on corn alone.

Mr. TAFT. I think it is provided for, but whether the Administrator will do it I cannot say.

Mr. SHIPSTEAD. I think the motion of the Senator from Wyoming to recommit the bill to the committee should prevail. In my opinion, it is too complicated to work out on the floor of the Senate, even with the aid of the discussion and explanation by the Senator from Ohio [Mr. TAFT] and the Senator from Michigan [Mr. Brown].

Mr. TAFT. Mr. President, this measure, I say, departs entirely from the theory of price control which was put in the Price Control Act. In the first place, the

Administrator for some reason, and I do not know why, did not fix the basic price of many commodities. Whether he was discouraged by the action of the Senate in fixing higher farm prices than he thought were right I do not know. The price of hogs today is above parity. It could be fixed by the Administrator. He did not do so, and he does not intend to do so, apparently, although he has fixed the price of all the products sold by the pork packers, and he has fixed the price of lard. I myself do not believe that prices can properly be controlled in that way. I do not think the basic prices can be controlled simply by putting a ceiling on retail prices. But that is what the Administrator has done.

Instead of proceeding immediately when the Price Control Act was passed, and fixing the price of basic products, and then waiting perhaps a month or 2 months and fixing the margin of the processor, and then waiting another month or so and fixing the margin of the wholesaler, the Administrator failed to fix the basic price, and prices began to get out of hand, they began to go up much faster than they had gone up. Then he put in this over-all ceiling, this provision that no man shall from now henceforth sell any product at a higher price than he sold it at in March. Of course, many persons have had their costs raised since March, many retailers have to pay more for their products today than they were paying in March. The result is that those who were not profiteering, who were selling their goods on the basis of what they had paid for them perhaps back in January, are now squeezed so that they have to pay more for the products they are buying, and yet they cannot raise the price of the things they are selling. That system is in itself unfair. It is also very awkward, because it results in one retailer on one side of the street having to sell the product at one price and the retailer on the other side of the street having to sell it at a lower price. The man who profiteered in March is able to get more for his goods, and go on profiteering, or at least is now getting a reasonable return, whereas the one who was conscientious and held his prices down is forever held to those lower prices.

Mr. President, I think the system is unscientific, and I believe, unless some adjustment is made, it will result in practically driving out of business a large number of retailers and wholesalers.

There are other instances in which production is absolutely going to be stopped. Take the case of the three oils—soybean oil, cottonseed oil, and lard. The price was all fixed, and has been fixed at something in the neighborhood of 12 cents a pound. Today a man cannot go out and buy soybeans at the prevailing price and turn them into soybean oil and soybean meal and do better than lose 10 cents a bushel. Today no soybean mill in the United States is able to buy soybeans, and the processing of soybeans is stopped. The situation is almost as bad in the case of cottonseed. Fortunately, it is not the time of the year when cottonseed is ordinarily processed, but the price of cottonseed could be fixed

today at \$50 a ton and, at that price, it might be necessary to raise a little the price of oil, but not a great deal. But, unless some change is made in that situation, cottonseed mills are simply not going to be able to buy at the prevailing price.

Mr. President, I do not understand why the prices of basic products are not fixed first and then a proper margin given to the distributor. Furthermore, I do not believe this kind of a rigid system has ever worked out, and I do not believe it can work. Mr. Henderson said:

We are going to hold retail prices where they are, and if I am convinced that a retailer is absolutely going to be ruined, then I shall go back to the wholesaler and say, "I am going to reduce your March price. You can no longer sell at the March price, but you must reduce it so that the retailer can get more money." Then, if the wholesaler cannot absorb that reduction, I will go back to the manufacturer and say, "You have got to sell to the wholesaler at a lower price."

There are two results which will flow from that. When we asked him about the price of hogs he said:

Well, it is not necessary to fix the price of hogs because fixing the price of the products would fix the price of hogs. No packer would be able to pay more than a certain price for hogs.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MILLIKIN. The chief independent packing plant in Colorado has closed under the operation of the theory the Senator is discussing.

Mr. TAFT. Packing plants in Ohio have closed down because they cannot possibly buy hogs at the present price and sell them at the price the Administrator has fixed on products of pork. The Administrator said this will force down the price of hogs. When I asked him distinctly if it was the idea to control all products, and gradually push down the price of basic products, agricultural and otherwise, below perhaps the ceiling we have fixed in some cases, at least below that ceiling, then, of course, he strenuously denied that that was his purpose. I do not believe he would be able to do it very effectively anyway.

However, that seems to be the only rational theory on which I can interpret the policy. The only other theory is that the manufacturers are all to be subsidized. Having forced the price back to the manufacturers, it being perfectly apparent that under the act the manufacturer is entitled to a fair price, instead of giving him that increase, it is perfectly possible to subsidize him instead, and that seems to be the policy Mr. Henderson is adopting. That is what he wants the money for.

Frankly, if we are to adhere to a rigid price policy, I do not see any other result. Mr. Henderson wants us to say that we will not let retail prices go up one cent. He said the Canadian administrator told him that one of the mistakes they had made was to raise prices somewhere—"puncture the ceiling," as he said. If we are to adhere to a rigid price policy, extensive subsidy seems to me to be probably necessary.

I do not think the policy is wise. I do not think it is fair. I do not think it is in accord with the policy which the Congress set out in the Price-Control Act. We said then that we did not want agricultural prices below 110 percent of parity. That may have been right or may have been wrong. Certainly the idea was that we thought that any prices which were subnormal—and we thought agricultural prices were subnormal—should be allowed to come up to the general level of prices. It was the same in the wage field. The theory has been that wages should be allowed to go up in places where there were subnormal wages or where the cost of living had gone up.

I think that policy of stabilization could be successful. It is different from the rigid policy. It goes on the theory that we are to back up gradually. We may have a 12 or 15 percent increase in prices the first year. Then we can gradually slow down the increase. We do not propose to give anybody quite the raise which corresponds to the raise in wages. We do not propose to give anybody a raise which quite corresponds to the increase in the cost of living. The plan is to slow the thing up until we stabilize conditions, perhaps after 2 years.

I do not think there is any great harm in an increase of 20 to 25 percent in prices. What I am concerned about is prices getting away from us entirely. I am concerned about a possible increase in prices of 100 percent or 120 percent such as we had during the World War, or 200 or 300 percent such as occurred in many European countries. I think it is better to make the adjustments which ought to be made and to let prices go up a little, and then try to even out the whole thing and gradually slow it up.

That seemed to be the theory of the Congress in fixing minimum agricultural prices well above where they were at the time we fixed those prices. We certainly contemplated the possibility of some price increases which would be reflected in food, and might be reflected to some extent in wages.

Again, I do not believe that the rigid theory will work unless we fix wages. Take the shipyard decision the other day. The men said, "We will not insist on a flat increase in accordance with the contract, to equal the percentage increase in the cost of living." However, they obtained half of that increase. They obtained a substantial increase in wages. I think it was about 8 percent. In that instance we certainly have punctured the ceiling, and increased the cost of ships. Again we have the effect of some increase in prices. Somebody is squeezed somewhere when we permit such an increase.

I do not believe that we should hold wages absolutely where they are. I think there should have been some leeway. However, certainly if we are to make the rigid system a success, we shall have to fix wages. Today there is no provision of any sort for fixing wages, or giving anybody the power to do so. All we have is a sentence contained in the President's broadcast to the Nation, in which he said that wages should not be increased. He implied that they should

not be increased even to meet any cost-of-living increases. However, there is no direction to anyone. He has not directed the War Production Board to follow that policy. It has given some indication that it intends to follow it when it pleases, but it has no orders to do so.

There is no law affecting voluntary increases. Many employers may prefer to give a voluntary increase rather than to go before the War Labor Board and fight out the questions of the closed shop, and many other questions which arise in any controverted case.

For months we have had before our Committee on Education and Labor the bill of the Senator from Minnesota [Mr. BALL], providing for the fixing of wages. The bill provides that the War Labor Board shall not increase wages, with certain exceptions. It provides that no agreement with employees affecting more than 50 employees shall put into effect any increase at all unless it is passed upon by the War Labor Board.

It seems to me that if we are to go through with the theory of a rigid ceiling we shall have to go through with the Ball bill, providing a rigid ceiling on wages, if we hope to have that plan effective.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. THOMAS of Oklahoma. Notwithstanding the speeches being made about prices skyrocketing and wages going up, is it not a fact that during recent weeks prices have not gone up?

Mr. TAFT. It is difficult to obtain very recent prices. The Bureau of Labor Statistics is approximately 2 months behind; and I think Mr. Henderson stated that prices had gone up about 2 percent in the 30 days before he appeared before our committee, and that that rate represented an increase in the rate of rise.

Mr. THOMAS of Oklahoma. With the Senator's permission I should like to call his attention to some facts and figures from the Department of Labor, which, as I construe them, are strictly complimentary to the manager of our price-control system, Mr. Henderson.

The act giving Mr. Henderson this authority was approved on the 30th of January. At that time the price level, as shown by the Bureau of Labor Statistics, stood at 95.9. That price level is the average price of some 900 commodities, figured over a period of time. As I have stated, when the law became effective on January 30 the price level stood at 95.9. Since that time the price level has gone up, until on last Thursday it stood at 96.6, which is an increase of only two or three points since the law became effective.

I may observe further that during the past 6 weeks, taking April 16 as the date of beginning, and May 21, which was last Thursday, as the date of ending, the price levels increased only from 98.1 to 98.6, or one-half of 1 percent increase in the general price level in the past 6 weeks. During some of those weeks, instead of the price level increasing a fraction of a point, it actually decreased a fraction of a point.

Mr. TAFT. I agree with the Senator. I think that Mr. Henderson was panicked by facts which did not justify any such panic.

I think I am correct in saying that the act did not contemplate any such rigid system as Mr. Henderson has imposed. Look at the provisions of section 2 (a) of the Price Control Act:

So far as practicable, in establishing any maximum price, the Administrator shall ascertain and give due consideration to the prices prevailing between October 1 and October 15, 1941 (or if, in the case of any commodity, there are no prevailing prices between such dates, or the prevailing prices between such dates are not generally representative because of abnormal or seasonal market conditions or other cause, then to the prices prevailing during the nearest 2-week period in which, in the judgment of the Administrator, the prices for such commodity are generally representative), for the commodity or commodities included under such regulation or order, and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability, including the following: Speculative fluctuations, general increases or decreases in costs of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the commodity or commodities, during and subsequent to the year ended October 1, 1941.

In this order the Administrator has not given the slightest consideration to the prices between October 1 and October 15. He has not paid any attention whatever to the provisions of the Price Control Act. He has not given any effect whatever to the increases in costs between October and March. The act says that if the prevailing prices between such dates are not generally representative because of abnormal or seasonal market conditions, or other causes, then he shall follow the prices prevailing during the nearest 2-week period in which, in the judgment of the Administrator, prices are generally representative. Even assuming that he could get away from the October date under that clause—which I do not think he can—it provides a 2-week period and not a 4-week period such as he has actually accepted in this order. When that was pointed out to him he said, "All the act says is that, so far as practicable, in establishing maximum prices the Administrator shall use the October date."

Of course, Congress is to blame. When we say "so far as practicable," in effect we nullify what we say. We have repeated instances of that kind of legislation. I trust this may be a warning to us to be more careful in our choice of language.

In any event, as I see it, the Administrator has not followed the Price Control Act, and I do not believe his theory is going to work. I do not think it will work unless it is extended definitely to wages. If we want to support that theory—and it has responsible support—then we ought to pass a wage-control act.

Furthermore, it certainly will not work unless we adopt a more sound fiscal policy. No possible price-control system ever will work unless the fiscal policy underlying the system is sound. Today I do not know what the Treasury is going

to do. I do not know what its plan is. Certainly its plans are incomplete.

It is said that we face a Government expenditure next year of \$77,000,000,000. The forthcoming tax bill will provide about \$25,000,000,000 from taxes, leaving a deficit of more than \$50,000,000,000. The only bond program I know of contemplates the sale of about \$15,000,000,000 of bonds to the people. That is Mr. Morgenthau's goal. That leaves a gap of \$35,000,000,000—or probably \$30,000,000,000, because there are some other outlets for the sale of bonds—to be sold to the banks. In other words, unless some new policy is adopted, we are to create \$30,000,000,000 of purchasing power out of thin air, and it will beat against this price structure. Certainly a rigid structure of this kind will collapse under any such practice. Already we begin to hear about "black markets" in this country, as they have occurred in Germany and in England. Bootlegging is just as easy in regard to any other product as it was with regard to liquor.

Certainly we must have some plan of selling the bonds but there is none. Today the total program for the fiscal year 1943 is to sell approximately \$17,000,000,000 of bonds. That would leave the commercial banks to take approximately \$30,000,000,000 worth of bonds. The sale of savings bonds certainly is not keeping up with that schedule. A billion dollars' worth of savings bonds was sold in January, \$703,000,000 worth in February, and only \$557,000,000 worth in March, in the Savings-bond program which contemplated the sale of at least \$1,000,000,000 a month during the year 1942.

I may add that the figures show that in the last 6 months there has been a substantial inflation of bank credit; between April 1 and May 13 the public debt increased \$3,700,000,000. Since May 13, which was only 10 days ago, it has further increased to the extent of \$1,700,000,000. So since the 1st of April there has been an increase of approximately \$5,400,000,000. At the same time banks' holdings of Governments during the 6 weeks from April 1 to May 13 have increased by \$2,000,000,000, with an inflationary effect at least equal to the whole payment of the bonus back in 1936, if that was the year of its payment. The commercial deposits have increased nearly \$3,000,000,000 in 6 weeks. That is the most rapid increase which we have seen at any time during the past few years, and it simply shows that today we are practically printing paper money. We are creating purchasing power, as I say, out of thin air; and if we have anything like \$2,000,000,000 or \$3,000,000,000 of purchasing power beating against the proposed rigid price structure, it will collapse with a crash. So we certainly cannot hope to have this kind of system operate successfully unless we change our fiscal policy.

The proposed method also is infinitely complicated and infinitely expensive. I shudder when I read of the request of Mr. Henderson for \$200,000,000 in order to pay the wages of 100,000 employees for the enforcement of this kind of a price-fixing system. I do not know whether

there is any significance in the fact that the proposal for the employment of 100,000 persons was made the same day we were told that probably 100,000 persons could be cut off the W. P. A. I do not know whether the W. P. A. force is to be transferred to the Office of Price Administration in whole or in part; but at least it seemed to me a rather strange coincidence.

I do not believe we need 100,000 employees in order to enforce a reasonable price control system. However, if we do intend to fix and to control the price of every lady's hat, of every shoelace in the United States, perhaps 100,000 employees will be necessary.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. VANDENBERG. If, in addition to that, it is proposed to subsidize every operator in this country, from the operator of a peanut stand to the operator of a major corporation, another 100,000 employees would be needed, would they not, in order to enforce such a program?

Mr. TAFT. I should hope that the subsidy business would be confined to a limited number of articles and a limited number of processors. However, of course, I agree with the Senator. I hoped that the program of the Price Control Act also would be confined to the control of a few persons at the source, and that there should not be any attempt to deal with every retailer in the United States.

Mr. VANDENBERG. The Senator finds no such limitations in the text of the pending bill; does he?

Mr. TAFT. No; I do not. If the amount is limited, I think it will be a considerable deterrent to any such proposal.

Mr. VANDENBERG. If the Senator will permit me again to interrupt him, let me say that I remember he said a short time ago, while my colleague was speaking, that except as there was a subsidy system, the rigid price-control method would ruin four-fifths of the small business men of the country. Did not the Senator say that?

Mr. TAFT. I did. Mr. Henderson, however, takes the position that there are other things which can be done, that he can standardize products, that he can reduce certain costs of distribution, that he can bring about certain reforms and changes in the system, which will enable him to hold down prices without ruining the smaller distributors, or subsidizing.

Mr. VANDENBERG. I am speaking about the Senator's theory. The Senator says that such a limitation of the appropriation, holding the appropriation for subsidy purposes down to \$500,000,000, will be an effective limitation upon the use of the subsidy. Yet in the next breath the Senator says that it will be necessary to have sufficient subsidy to save four-fifths of the businesses of the United States. So either the Senator is saying that the limitation is impractical or else he is saying that it will not work at all.

Mr. TAFT. I am saying that if Mr. Henderson can do the subsidy job with half a billion dollars, and if that will en-

able the system to succeed, I do not greatly object to letting him have the \$500,000,000. However, I think that a general subsidy, if we have to go to a general subsidy system, would be just as inflationary as to permit a rise in prices. If Mr. Henderson could not get along with \$500,000,000, I should say that the plan would be a failure and could not be made to work, and that I would be entirely right, and that he would be entirely wrong. However, he says I am wrong.

I am telling the Senator what I think would happen, and what I think the situation is. Mr. Henderson says I am wrong; he says he will not have to increase the number who would have to be subsidized, that he can squeeze them down, and that they are not going to go out of business.

I do not agree with him. I do not think he is going to let them go out of business, because, in my judgment, public opinion will be so strong that it will break his ceilings loose before that happens. However, if by a subsidy plan involving the expenditure of \$500,000,000 he thinks he can hold rigid the price system, and if we provide a proper fiscal system and control wages, I am not unwilling to give him a chance to try it out and to make a success of it if he can. After all, Mr. Baruch and the Canadians all say it can be done. I am not expert on the question, and I may be wrong.

Mr. VANDENBERG. The only time when I fail to find the Senator as lucid and as consistent as he usually is is when he says, as he has to, that the authority contained in the pending bill is unlimited, by embracing and covering every business operation in this land; and yet he says it can be effectively limited by a little amendment in the mathematics which would confine the commitment to \$500,000,000. Either the limitation is a false pretense or else the Senator is wrong.

Mr. TAFT. No; I do not think so necessarily. For instance, a great many things could have been subsidized, but at first we subsidized only copper. For a small sum we succeeded in saving a great deal of money.

If the proposal is to extend the subsidy system to all commodities and articles, if it is necessary to extend it, as I am afraid it will be, it would require billions of dollars, and it would not prevent inflation; it would be just as inflationary as the other process, because the Government would have to borrow that much more money in order to pay the subsidies.

Mr. VANDENBERG. Now, the Senator has arrived at exactly the point at which I started; and we are in agreement.

Mr. TAFT. In the first place, the act already gives the power. In the second place, Mr. Henderson thinks he can do it without spending more than \$500,000,000. If he can, I think that is not too much to pay. But that will not enable any general subsidy system to be put into effect. He would have to confine it to a limited number of essential products the prices of which he thinks it is important to control and to hold down.

At the same time I call attention to the 100,000 employees, I desire to call attention to the forms which Mr. Henderson is sending, apparently, to every manufacturer in the United States. I have in my hand a form "A," entitled "Annual Financial Report," comprising some 26 pages, and an interim financial report comprising 12 pages, which, according to the information I have, will take an accountant for a medium-sized company about a week to make out in order to provide the information. I do not believe that kind of thing was contemplated by the Price Control Act. I do not believe it would be necessary for the kind of price-control system we started to inaugurate during the World War. I do not believe it is essential to a reasonable system of price control, and I think it simply imposes an additional burden on every businessman who can hardly carry on with the margins which are now prescribed.

Mr. President, the only reason I favor any system is that I believe that the inflation of prices in large percentage, the failure to control prices, is one of the worst things that can happen to the country. It certainly penalizes wage earners, and, even more, it penalizes people with small salaries. It destroys the value of savings and life insurance which people have spent their whole lives in building up. It increases the cost of the war. It creates unlimited dissatisfaction and disunity in the United States; and, finally, if we permit prices to go up in that way, it will make it much more difficult to get back to the normal free-enterprise system after the war. The adjustments which will have to be made will be so great and the effect of Government control which will be necessary will be so great that I doubt very much whether we can successfully get back to a free-enterprise system if we permit inflation of two or three hundred percent to occur. So I am willing to go a long way in giving power.

Only the other day Herbert Hoover, the former Food Administrator and President of the United States, said that in time of war he felt that the Executive should be given dictatorial powers in economic questions, including control of commodities and prices, simply because the subject is so complicated, the different kinds of remedies are so numerous, the agencies that must be used are of such varied character, that it is almost impossible to legislate; and when the Administrator comes and asks for those powers, I am inclined to give them to him, if he can make out any kind of a reasonable case indicating that he can use them successfully.

Mr. DANAHER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Connecticut?

Mr. TAFT. I yield to the Senator from Connecticut.

Mr. DANAHER. I heard the Senator's reference to the post-war return to a system of free enterprise. I do not know how much of his present thinking is geared to that particular objective. Did the Senator see the report in today's

press indicating that Mr. Henderson yesterday, testifying before a House committee, said that price controls must be continued after the war?

Mr. TAFT. I did, and I disagree with Mr. Henderson, although I think that depends upon how much prices shall have gone up. If they are entirely normal when the war ends, if we have succeeded in holding them down, I should say there will be no necessity of continuing price control for long. On the other hand, if prices have gone up 100 percent, it will certainly be necessary to continue price control. Fortunately, that question rests entirely with the Congress, because the present Price Control Act will expire on the 1st of July 1943, and unless Congress sees fit to continue it, it cannot be continued.

Mr. BROWN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Michigan?

Mr. TAFT. I yield to the Senator from Michigan.

Mr. BROWN. I wanted to state two things: First, that the experience of the World War, which we hope will not be repeated following the present war because of present controls which are much more effective than those during the World War, was that the great rise in prices occurred a year and a half, or 18 months, after the signing of the Armistice.

As I have said on other occasions, and, as the Senator from Ohio intimates, if the condition prevails that we shall have abnormally high prices at the end of present hostilities. I think price control might be necessary, but if we maintain the prices as we have done, it seems to me it will be unnecessary.

When I rose before the Senator from Ohio had finished his statement, I did so for the purpose of pointing out that the continuation of price control is entirely up to the Congress, because the Price Control Act will expire on June 30, 1943, as the Senator from Connecticut well knows, and how far we may then have to extend it is up to Congress and not to the administrative authorities.

Mr. DANAHER. Mr. President, will the Senator from Ohio yield further?

Mr. TAFT. I yield to the Senator from Connecticut.

Mr. DANAHER. Mr. President, it was with some reluctance, I most freely confess, that I was willing to vote to report the pending bill from the committee. I do not know whether or not the Senator from Ohio will consider it a fair and proper inquiry for me to suggest to him at this time. I am wondering, if he so chooses, whether or not he would comment on how far we could operate to attain proper results, were we to revert to the Senate bill rather than to take the House bill as amended which is now before the Senate?

Let me recall to the Senate that as the matter first came to us as Senate bill 2485 it was provided simply—

That the amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is

authorized to issue and have outstanding at any one time under existing law is hereby increased by \$5,000,000,000.

Would the Senator choose to comment as to how far he believes reverting to the Senate bill would be effective in obtaining the objectives claimed for the House bill as amended?

Mr. TAFT. Mr. President, neither the House bill nor the Senate bill contained section 2. That section was put in by the committee as an amendment to the House bill. Of course, I have been discussing that amendment. I myself think, as I said when I began my remarks, that section 2 is not very important, because, as I see it, every power given in the bill can now be exercised under the Price Control Act itself.

So it does not make very much difference, to my mind, whether we pass the bill as amended or do not pass it; but I do think it is important that the Senate realize, if they are going to put their O. K., so to speak, on the subsidy policy, that it is not going to work unless much more is done by way of changing the fiscal system, and including wages in the set-up. Personally, so far as I am concerned, if the Senate wants to disprove Mr. Henderson's new price fixing theory, I would vote for that, too, but if we are going to let him go on, I shall raise no objection to this bill, and I am rather inclined to give him the slight additional authority given by section 2.

Mr. DANAHER. The Senator will recall that in the Price Control Act we did authorize subsidy payments to R. F. C. creature corporations dealing in critical and strategic materials, but we also limited marginal payments authorized in section 3 to the purposes therein stated.

Now, if we were to implement the R. F. C. by granting it additional borrowing power, the use of the fund of \$5,000,000,000 would, at least, be limited to the purposes expressly stated in the original emergency Price Control Act, would they not?

Mr. TAFT. I think the purposes originally stated in the Emergency Price Control Act are broad enough to enable the Administrator to do any of the things we are now again proposing to authorize him to do. The Overman Act permits the President to transfer administrative powers to the R. F. C. and the Commodity Credit Corporation or to anyone else.

I asked Mr. Jones why he wanted this bill. He asked for the bill; Mr. Henderson did not. Mr. Jones appeared before our committee and wanted the bill. He was not satisfied with the exact powers of the Price Control Act, and wanted it clarified somewhat and direct power given to the R. F. C. I asked him why he wanted it, and it did not seem to me his answer was very convincing. This bill would make it a little clearer; it would make the law a little more definite; and he would not have to meet so many legal objections, but there are very few people in the administration who seem to be bothered by difficulties of legal construction.

Mr. DANAHER. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Ohio yield further to the Senator from Connecticut?

Mr. TAFT. I yield to the Senator from Connecticut.

Mr. DANAHER. I pursue the subject only a moment. I am not so certain that I agree altogether with the last answer given by the Senator from Ohio, particularly in the light of a comment by Mr. Hamilton, general counsel of the R. F. C., who pointed out—and I quote from page 24 of part I of the hearings—

These defense corporations have a right to buy and sell strategic materials at a loss. But this language would go beyond that. Furthermore—

And this is what is significant, it seems to me—

Furthermore, it contemplates assistance where the purpose is not strictly the stimulation of production.

So that were we to revert solely to the powers and purposes, particularly the purposes stated in section 3 of the Emergency Price Control Act, plus the authorization of the subsidy to the Reconstruction Finance Corporation creature corporations, we would be going, I think, as far as properly we should go in this direction.

Mr. TAFT. Mr. President, I conclude what I have to say. I do not think section 2 is of great importance. I am inclined to go along with the committee and support it because I think the bill makes Mr. Henderson's powers a little clearer. But if we do go through with it, we ought to be particularly careful that we are not supporting, or giving moral support, at least, to a new rigid system of price fixing. We are obligated, if we do that, to go on, first, to the fixing of wages, so that the whole rigid theory may be carried through; and, second, we are obligated to go on in some way to try to reduce the pressure on prices by adopting a reasonable taxation and bond-selling program, which will not load the commercial banks with an unlimited amount, say, \$30,000,000,000 a year, of Government bonds, with the resulting increase in deposits and the resulting increase in purchasing power. We ought to go all one way or we ought to go all the other. For the present, if the Senate wants to disapprove the whole Henderson theory, then, I think section 2 ought to be eliminated.

Mr. TAFT subsequently said: Mr. President, coincident with and in connection with my remarks earlier this afternoon in regard to the fixing of prices, I was just called to the telephone and talked to a member of the Schlachter Co., small packers of Cincinnati. He told me that at the present price of beef in Cincinnati, which is 22 cents a pound, his company, under the price ceiling set by the Price Administration for beef products, loses on every head of cattle it buys to slaughter. He advised me that this week he bought 26 cattle, whereas he usually buys about three times that number, simply to try to hold on to his trade, but at a loss on every head of cattle he has purchased. One of the other smaller packers of Cincinnati has gone out of business.

The method of fixing prices of products does not hold down the price of raw materials. The larger packers are willing to pay a little more; they will have to pay their profits mostly in taxes anyway, and they are able to carry on through this period, but unless something is done to adjust the situation in the packing industry, as in many other industries, all the smaller units will simply be forced out of business.

It seems to me essential that the Price Administrator proceed in accordance with the rules laid down in the price-control bill, and that he either raise the prices of products or that he fix the price of raw materials. The price of beef is today 22 cents in Cincinnati whereas the ceiling price on beef products under the price-control bill was fixed at 9.38 cents.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming [Mr. O'MAHONEY] that the bill be recommitted to the Committee on Banking and Currency.

Mr. BARKLEY. Mr. President, I desire to make a statement, but I should like to have the Senator from Wyoming present.

Mr. BROWN. I have sent for the Senator from Wyoming, and he will no doubt be in the Chamber within a short time.

Mr. BARKLEY. I desire to make a brief observation which may determine the course of the pending legislation in the immediate future.

The bill which is before the Senate is a House bill, which would merely increase the borrowing power of the Reconstruction Finance Corporation. As has already been stated, the Reconstruction Finance Corporation has made commitments which would almost absorb the \$5,000,000,000 by which we are asked to increase its lending power.

When the bill came to the Senate and was referred to the Committee on Banking and Currency, the other matters which now appear in the bill were brought before the committee as amendments. They have no direct relationship to the original bill, which merely increased the lending power of the Reconstruction Finance Corporation. They really affect the Price Control Act more than they affect the authority of the Reconstruction Finance Corporation. There was controversy in the committee over the amendments, and on them hearings were held—not lengthy, but I think rather good hearings.

The only controversy over the bill revolves around the committee amendments affecting the Price Control Act, the subsidies, and other things which have relation thereto. As the debate has proceeded, it has become obvious that there is some confusion, and a considerable amount of controversy, over the committee amendments, and the effect they would have upon the Price Control Act with respect to the subsidizing of businesses of various kinds which might be injured by the administration of the Price Control Act inevitably and unavoidably.

In view of all that, the Senator from Wyoming [Mr. O'MAHONEY] has made a

motion to recommit the whole bill to the Committee on Banking and Currency, and my canvass of the situation in the Senate leads me to the conclusion that the motion will prevail if voted on as the bill stands.

I am sure that no one wishes to delay the enactment of that part of the bill which increases the borrowing power of the Reconstruction Finance Corporation, and for that reason I should regret to see the whole bill recommitted to the Committee on Banking and Currency, and any delay incurred in the passage of that portion of the bill, or of the remainder of it, for that matter, as delay would occur if the Committee on Banking and Currency must again go into the whole matter.

For these reasons I have suggested to the Senator from Wyoming and to the Senator from Michigan that we eliminate the committee amendments and act upon the bill as it passed the House, increasing the borrowing power of the Reconstruction Finance Corporation, and let the Committee on Banking and Currency give further consideration, and if necessary hold further hearings, on the other aspects of the bill which are not directly related to the bill as it came originally from the House.

I myself think that would be better than to have the whole bill recommitted, and that part of it which is so essential and upon which commitments have already been made delayed while we are threshing out the other controversial features of the proposed legislation.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McNARY. I am in accord with the views expressed by the able leader of the Senate. I am sure there would be votes in sufficient number to recommit the bill. I certainly should support that action. But I believe that, with the elimination of the committee amendments, the bill should pass, and that it would pass if presented in that form. I rose to ask this question: Would the proposed action merely mean that we would disagree to the committee amendments and pass the bill as it came from the House?

Mr. BARKLEY. Yes. I believe it would be better for all interests concerned to do that, rather than have the entire bill recommitted, including that portion of it to which there is no serious objection, that it would be better to reject the committee amendments, about which there is controversy, and pass the bill as it came from the House, providing an increase in the authority of the Reconstruction Finance Corporation, because if the bill goes back to the committee, it would all have to be reconsidered anyway, and those who are interested in the proposals embodied in the amendments would be no worse off by their elimination now than they would be if the whole bill were recommitted to the Committee on Banking and Currency.

I should like to have the reaction of the Senator from Michigan. I stated a moment ago that I had conferred with him on the subject, as well as with the Senator from Wyoming.

Mr. BROWN. Mr. President, I wish to say to the Senator from Kentucky, and

to the Senator, that I am satisfied, from a canvass of the Senate, that the motion made by the Senator from Wyoming would prevail, and I think it would be unfortunate, as has been stated by both the majority and minority leaders, to defer further the question of the \$5,000,000,000 increase in funds available to the R. F. C., an authorization which is badly needed.

If the Senator from Wyoming is willing to withdraw his motion, after consultation with the chairman of the Committee on Banking and Currency, the senior Senator from New York [Mr. WAGNER], I am agreeable to making a motion to reject the committee amendments and to pass the bill as it came from the House.

Mr. BARKLEY. I should have said, but I did not do so because I overlooked it, that I had conferred with the Senator from New York [Mr. WAGNER], chairman of the Committee on Banking and Currency. The simple way to arrive at what seems to be the better policy is merely to reject the committee amendments when they are presented to the Senate, and then pass the bill as it was passed by the House.

Mr. O'MAHONEY. Mr. President, it is my understanding that the position taken now by the able Senator from Michigan, and the distinguished majority leader is that they will both ask the Senate to reject the amendments, and to pass the bill without any of the amendments, recommended by the Committee on Banking and Currency.

Mr. BARKLEY. That is the substance of the suggestion which I made, and which seems to be agreeable.

Mr. O'MAHONEY. I am altogether in accord with that request. My purpose in offering the motion to recommit was solely to provide a greater opportunity for the committee to study the amendments which were added by the Committee on Banking and Currency. My motion was not at all directed against the bill as it passed the House. Therefore, Mr. President, with that understanding, I withdraw my motion to recommit.

Mr. BARKLEY. Let me say also that the action which is now being suggested does not prejudice in any way the merits of the amendments which were presented by the committee.

Mr. O'MAHONEY. Of course not.

Mr. BARKLEY. It merely means they will be given a restudy by the committee, in view of the situation which has developed since they were reported.

Mr. O'MAHONEY. Mr. President, let me say in that connection that I made the motion in the first instance, after having said to the Senator from Michigan, that we all recognized the diligent study which he had given to this matter. I felt that there were objectives in the amendments which it might be desirable to attain. I felt that the amendments had not been sufficiently considered, because so many suggestions for altering the provisions had been made from the floor. I wish to make it clear that I am not attempting to prejudge the question upon its merits.

The PRESIDING OFFICER. The Senator from Wyoming [Mr. O'MAHONEY] withdraws his motion to recommit

the bill to the Committee on Banking and Currency.

The question now reverts to the amendment of the Committee on Banking and Currency.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the third reading of the bill.

The bill (H. R. 7008) was ordered to a third reading, read the third time, and passed.

The amendment to the title was rejected.

E. P. CORLEY—CONFERENCE REPORT

Mr. BROWN submitted the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4092) for the relief of E. P. Corley, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment, as follows: In lieu of the figures "\$500" insert "\$750"; and the Senate agree to the same.

PRENTISS M. BROWN,
JOSEPH ROSIER,
ARTHUR CAPPER,

Managers on the part of the Senate.

DAN R. McGEHEE,
THOMAS D. WINTER,

Managers on the part of the House.

The conference report was agreed to.

REDUCED RATES OF INTEREST ON AGRICULTURAL LOANS

Mr. BANKHEAD. Mr. President, I desire to have the Senate proceed to the consideration of a bill in which there is general interest, to extend the reduced rates of interest on Federal land bank and Land Bank Commissioner loans. We have passed measures similar to this from time to time. The House passed a similar bill yesterday, and it is now on the desk. I ask that the Chair lay before the Senate the bill passed by the House yesterday.

The PRESIDING OFFICER. The Chair lays before the Senate a bill coming over from the House of Representatives.

The bill (H. R. 6315) to extend for 2 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans was read twice by title.

Mr. BANKHEAD. I move that the Senate proceed to the consideration of the bill just laid before the Senate.

The motion was agreed to, and the Senate proceeded to consider the bill.

Mr. BANKHEAD. Mr. President, I move to strike out all after the enacting clause, and to substitute Senate bill 2544.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and to insert the following:

Be it enacted, etc., That (a) the first sentence of paragraph twelfth of section 12 of the Federal Farm Loan Act, as amended (relating to the 3½-percent interest rate on

Federal land bank loans), is amended by striking out "occurring within a period of 7 years commencing July 1, 1935," and inserting in lieu thereof "occurring within a period of 9 years commencing July 1, 1935."

(b) Said paragraph Twelfth, as amended, is further amended by inserting immediately following the second sentence of said paragraph the following: "The foregoing provisions shall also apply to interest on so-called purchase-money mortgages and on real-estate-sales contracts taken by the Federal land banks which is payable on installment dates occurring after June 30, 1942, except that in the case of such mortgages and contracts the rate of interest shall be one-half of 1 percent per annum in excess of the rate paid by borrowers on mortgage loans made through national farm loan associations."

(c) The fourth sentence of said paragraph Twelfth (relating to the 1942 time limit on payments made by the United States to land banks on account of such interest reduction), is amended to read as follows: "No payments shall be made to a bank with respect to any period after June 30, 1944."

SEC. 2. The last paragraph of section 32 of the Emergency Farm Mortgage Act of 1933, as amended (relating to reduction in the interest rate on loans by the Land Bank Commissioner), is amended to read as follows: "Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 percent per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed 3½ percent per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1944. Notwithstanding the interest rate provided for in so-called purchase-money mortgages and real-estate-sales contracts taken by the Federal Farm Mortgage Corporation, the rate of interest payable on such mortgages and contracts shall not exceed 4 percent per annum for all interest on installment dates occurring on and after July 1, 1942, and prior to July 1, 1944."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 6315) was read the third time and passed.

Mr. BANKHEAD. I move that the Senate insist on its amendment, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BANKHEAD, Mr. HERRING, Mr. CLARK of Idaho, Mr. DANAHER, and Mr. BALL conferees on the part of the Senate.

Mr. BANKHEAD. I ask unanimous consent that Senate bill 2544 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House insisted upon its amendment to the bill (S. 2250) to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr.

STEAGALL, Mr. WILLIAMS, Mr. SPENCE, Mr. WOLCOTT, and Mr. CRAWFORD were appointed managers on the part of the House at the conference.

CELEBRATION OF TWO HUNDREDTH ANNIVERSARY OF BIRTH OF THOMAS JEFFERSON

Mr. BARKLEY. Mr. President, from the Committee on the Library, I report favorably, without amendment, Senate bill 2330, which is intended to enable the United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of Thomas Jefferson to carry out and give effect to certain approved plans. A few weeks ago we passed a House bill which was thought to effect the purposes sought in the Senate bill, but it turns out that that was the wrong bill, and that the Senate bill is the correct bill. I ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the United States Commission for the Celebration of the Two-hundredth Anniversary of the Birth of Thomas Jefferson, established by the joint resolution entitled "Joint resolution to establish a commission for the celebration of the two-hundredth anniversary of the birth of Thomas Jefferson", approved September 24, 1940 (hereinafter referred to as "the Commission"), is authorized and directed to prepare as a congressional memorial to Thomas Jefferson a new edition of the writings of Thomas Jefferson, including additional material and unpublished manuscripts preserved in the Library of Congress and elsewhere, at a cost not to exceed \$15,000 for the preparation of the manuscript.

SEC. 2. (a) The Commission is authorized and directed to—

(1) arrange for memorial meetings and exercises in the year 1943 in the city of Washington and other cities and places in the United States particularly associated with the memory of Thomas Jefferson, and in universities, schools, and colleges throughout the United States; to carry out and give effect to the approved plan and program heretofore submitted to the Congress, at a cost not to exceed \$10,000;

(2) to prepare and produce for use at such memorial meetings and exercises a motion picture of the main events in the life of Thomas Jefferson at a cost not to exceed \$10,000;

(b) to carry out the provisions of this section only the Commission is authorized to have printing, binding, lithographing, and other work done at establishments other than the Government Printing Office.

SEC. 3. The Commission is authorized to employ, without regard to the civil-service laws, and without regard to the Classification Act of 1923, as amended, to fix the compensation of an historian, an executive secretary, and such assistants as may be needed for stenographic, clerical, and expert service within the appropriations made by Congress from time to time for such purposes, which appropriations are hereby authorized.

SEC. 4. In carrying out the provisions of this or any other act relating to the celebration of the two-hundredth anniversary of the birth of Thomas Jefferson, the Commission is authorized to procure advice and assistance from any governmental agency, including the services of technical and other personnel in the executive departments and independent

establishments, and to procure advice and assistance from and to cooperate with individuals and agencies, public or private. The Superintendent of Documents shall make available to the Commission the facilities of his office for the distribution of the portraits herein authorized.

SEC. 5. The members and employees of the Commission shall be allowed actual traveling, subsistence, and other expenses incurred in the discharge of their duties. All expenses of the Commission shall be paid by the disbursing officer of the Commission upon vouchers approved by the chairman of the executive committee of the Commission.

SEC. 6. Unexpended balances of appropriations authorized under the provisions of this act shall remain available until expended.

SEC. 7. The United States Commission for the Celebration of the Two-Hundredth Anniversary of the Birth of Thomas Jefferson may hereafter be referred to as the "Thomas Jefferson Bicentennial Commission."

ANTITRUST LAWS—NOTICE OF HEARING OF SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY

Mr. O'MAHONEY. Mr. President, earlier in the day the distinguished senior Senator from New York [Mr. WAGNER] asked for the appointment of conferees on the so-called little-business bill, Senate bill 2250. I made mention of the fact yesterday that while this measure was under consideration in the House an amendment was added the purpose of which is to exempt from the antitrust laws certain corporations and individuals who may be engaged upon war contracts. The substance of that provision was under consideration in the Judiciary Committee of the Senate, a subcommittee having been appointed and having had several conferences with the Department of Justice.

I desire to announce in the presence of the Senator from New York that the subcommittee is to hold a hearing tomorrow morning at 10 o'clock in the Judiciary Committee room, at which will appear the Attorney General, Mr. Biddle, and the Under Secretary of War, Mr. Patterson. I think it would be helpful if the Senate conferees on the little-business bill, or at least one or more of them, appear at that hearing. What may be developed, of course, I have no means of knowing. It is quite conceivable that the Committee on the Judiciary might desire to make recommendations to the conferees. It might indeed be desirable to ask the conferees on the part of the Senate to reject the amendment which was added in the House. I do not suggest now that that request will be made, but I think it would be helpful to the full consideration of this measure if the conferees should be present, because they might feel that it may be a happy solution if the recommendation of the Judiciary Committee be adopted by the Senate conferees instead of precipitating a disagreement.

Mr. HUGHES. Mr. President, with reference to the matter to which the Senator is speaking, the members of the subcommittee, of which I appear to be the chairman, and of which the Senator from New York [Mr. WAGNER], the Senator from Connecticut [Mr. MALONEY], the Senator from New Hampshire [Mr. TOWSE], and the Senator from Ohio [Mr. TAFT] are members, will attend the hearing tomorrow morning, and I announce

to the other members that this will be notice to them that the Senate conferees will attend the hearing to be held in the Judiciary Committee room.

Mr. O'MAHONEY. I thank the Senator from Delaware.

Mr. WAGNER. The Senator from New York certainly will be present.

THE CALENDAR

Mr. BARKLEY. I ask unanimous consent that the Senate proceed to the consideration of bills on the calendar to which there is no objection, beginning with Calendar No. 1353, at which point we ended consideration of bills at the last call of the calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will proceed to state the bills on the calendar, beginning with Calendar No. 1353, on page 7.

HAROLD W. BURCH AND LUCILLE M. BURCH

The bill (H. R. 5955) for the relief of Harold W. Burch and Lucille M. Burch was considered, ordered to a third reading, read the third time, and passed.

FRANCIS CORWIN CIRCLE

The Senate proceeded to consider the bill (H. R. 5070) for the relief of Francis Corwin Circle, which had been reported from the Committee on Claims with an amendment on page 1, line 6, after the words "sum of", to strike out "\$7,500", and to insert "\$4,110.85."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RUTH D. AND HENRY L. BRITTINGHAM

The Senate proceeded to consider the bill (S. 2273) for the relief of Ruth D. and Henry L. Brittingham, which had been reported from the Committee on Claims with an amendment on page 1, line 7, after the words "sum of", to strike out "\$7,349.20" and to insert "\$5,499.20", and in line 8, after the words "sum of", to strike out "\$4,500" and to insert "\$3,084.40", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ruth D. Brittingham, of Washington, D. C., the sum of \$5,499.20 and to Henry L. Brittingham, of Washington, D. C., the sum of \$3,084.40, in full settlement of all claims against the United States for personal injuries and property damage sustained by them when the automobile in which they were riding was struck by a United States Army truck on August 2, 1941, while traveling along United States Highway No. 113, near Dover, Del.: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

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The bill was ordered to be engrossed for a third reading, read the third time, and passed.

OWYHEE RECLAMATION PROJECT, OREGON

The bill (H. R. 5142) to authorize the Secretary of the Interior to investigate the claims of any landowner or water user on the Owyhee reclamation project, Oregon, arising in 1940 by reason of a break in the North Canal of such project, was considered, ordered to a third reading, read the third time, and passed.

RELATIVE RANK OF MEMBERS OF NAVY NURSE CORPS

The Senate proceeded to consider the bill (S. 2454) to prescribe the relative rank of members of the Navy Nurse Corps in relation to commissioned officers of the Navy, and for other purposes, which had been reported from the Committee on Naval Affairs, with an amendment on page 1, line 7, after the word "superintendent", to insert "not to exceed 1 for each 300 members of the Navy Nurse Corps", so as to make the bill read:

Be it enacted, etc., That hereafter the members of the Navy Nurse Corps shall have relative rank as follows:

(a) The superintendent, the relative rank of lieutenant commander.

(b) The assistant superintendents, not to exceed 1 for each 300 members of the Navy Nurse Corps, the relative rank of lieutenant.

(c) Chief nurses, the relative rank of lieutenant (junior grade).

(d) Nurses, the relative rank of ensign.

Sec. 2. As regards medical and sanitary matters and all other work within the line of their professional duties, the members of the Navy Nurse Corps shall have authority in and about naval hospitals and other medical activities next after the commissioned officers of the Medical Corps and Dental Corps of the Navy. The Secretary of the Navy shall make the necessary regulations prescribing the rights and privileges conferred by such relative rank.

Sec. 3. The Secretary of the Navy shall fix the money value of the uniforms which members of the Navy Nurse Corps are required to have upon their first appointment in the Navy: *Provided,* That he may authorize such uniforms to be issued in kind or, in lieu thereof, that payment in cash of the money value fixed in accordance with the foregoing be made to members so appointed, for the purchase of such uniforms;

Sec. 4. In time of war or when the Secretary of the Navy shall direct the wearing of uniforms at all times, he may fix the money value of additional outdoor uniforms which may be issued in kind to all members of the Navy Nurse Corps, or authorize payment in cash in lieu thereof for the purchase of such outdoor uniforms as may be prescribed by the United States Navy Uniform Regulations: *Provided,* That but one complete uniform outfit may be furnished to a member of the Navy Nurse Corps.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. WALSH subsequently said: Mr. President, in view of the fact that there is special interest in Calendar No. 1357, Senate bill 2454, to prescribe the relative rank of members of the Navy Nurse Corps in relation to commissioned officers of the Navy, and for other purposes, I ask

that the report of the committee be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The report (No. 1316) is as follows:

The Committee on Naval Affairs, to whom was referred the bill (S. 2454) to prescribe the relative rank of members of the Navy Nurse Corps in relation to commissioned officers of the Navy, and for other purposes, having considered the same report favorably thereon with an amendment, and recommend that the bill as amended do pass.

Amend the bill as follows:

Page 1, line 7, after the comma following the word "superintendents" insert the following: "not to exceed one for each 300 members of the Navy Nurse Corps."

The purpose of the bill is to prescribe the relative rank of members of the Navy Nurse Corps, and to authorize the Secretary of the Navy to fix the money value of the required uniforms which may be issued in kind, or authorize payment in cash in lieu thereof, for the purchase of such uniforms, to members of the Navy Nurse Corps.

The Navy Nurse Corps was established by the act of May 13, 1908 (35 Stat. 146), which provides in part that "the superintendent, chief nurses, and nurses shall respectively receive the same pay, allowances, emoluments, and privileges as are now or may hereafter be provided by or in pursuance of law for the nurse corps (female) of the Army." The Navy Nurse Corps is composed of graduate trained nurses within the Medical Corps of the Navy. They are appointed from the graduates of hospital training schools subject to an examination as to their professional, moral, mental, and physical fitness. They perform duty in naval hospitals, aboard hospital and ambulance ships, and in such other places as deemed necessary by the Surgeon General of the Navy.

The status of the Navy Nurse Corps at the present time is most unsatisfactory and confused. The status of its members, with relative rank appropriate to the different grades, has never been admitted or recognized in a legal manner. Consequently, each new question regarding the status of the Navy Nurse Corps has to be decided as it arises. This results in confusion and uncertainty.

By granting members of the Navy Nurse Corps relative rank, as is the case in the Army, all vexing questions which arise from time to time about their status would be answered automatically. The Navy Department is of the opinion that granting members of the Navy Nurse Corps relative rank would be in the best interests of the Navy and would tend to increase efficiency in the performance of their professional duties.

THE COMMITTEE AMENDMENT

The committee amended the bill to limit the number of assistant superintendents, with the relative rank of lieutenant, to 1 for each 300 members of the Navy Nurse Corps. It will be noted that only 1 superintendent, with relative rank of lieutenant commander, is authorized.

The bill was introduced at the request of the Navy Department and has been cleared by the Bureau of the Budget.

AMENDMENT OF COAST GUARD AUXILIARY AND RESERVE ACT OF 1941

The Senate proceeded to consider the bill (S. 2490) to amend the Coast Guard Auxiliary and Reserve Act of 1941 (Public Law 8, 77th Cong.), as amended by section 10 of the act entitled "An act to amend and clarify certain acts pertaining to the Coast Guard, and for other purposes," approved July 11, 1941 (Public Law 166, 77th Cong.), which had been reported from the Committee on Naval

Affairs with amendments, on page 2, line 3, after the word "section", to strike out "3" and insert "8"; and on page 3, line 14, after the word "pay", to insert "and without regard to age", so as to make the bill read:

Be it enacted, etc., That the Coast Guard Auxiliary and Reserve Act of 1941, approved February 19, 1941 (Public Law 8, 77th Cong., 1st sess.), as amended by section 10 of the act entitled "An act to amend and clarify certain acts pertaining to the Coast Guard, and for other purposes," approved July 11, 1941 (Public Law, 166, 77th Cong., 1st sess.), is hereby further amended as follows:

(1) Section 8. In the second sentence thereof, delete the words "upon investigation by a board of not less than three commissioned officers of the regular Coast Guard"; and insert after the word "determined" in the fifth full line of said second sentence the words "under regulations prescribed by the Commandant", so that said second sentence as amended shall read as follows: "The term 'actual necessary expenses of operation', as used herein shall include fuel, oil, water, supplies, provisions, and any replacement or repair of equipment or any repair of the motorboat or yacht, where it is determined under regulations prescribed by the Commandant that responsibility for the loss or damage necessitating such replacement or repair of equipment or such repair of the motorboat or yacht rests with the Coast Guard."

(2) Section 203. Delete the entire section and substitute therefor the following:

"Sec. 203. The ranks, grades, and ratings, including cadets, in the Reserve shall be the various ranks, grades, and ratings not above captain, prescribed by law for the Coast Guard: *Provided*, That no officer shall be initially appointed in the Coast Guard Reserve in the grade or rank of captain or commander."

(3) Section 206. Delete the period at the end of the first sentence, insert in lieu thereof a semicolon, and add the words "pay and allowances of cadets of the Reserve shall under the same conditions, for the same purposes, and in the same manner, be assimilated to the pay and allowances of midshipmen of the Naval Reserve."

(4) Section 207. Delete the entire section and substitute therefor the following:

"Sec. 207. The Commandant, with the approval of the Secretary of the Treasury or of the Secretary of the Navy, while the Coast Guard is operating as a part of the Navy, is hereby authorized to enroll as temporary members of the Reserve, for duty under such conditions as he may prescribe, including but not limited to part-time and intermittent active duty with or without pay, and without regard to age, members of the Auxiliary, such officers and members of the crew of any motorboat or yacht placed at the disposal of the Coast Guard, and such men who by reason of their special training and experience are deemed by the Commandant to be qualified for such duty, as are citizens of the United States or of its Territories or possessions, except the Philippine Islands, to define their powers and duties, and to confer upon them, appropriate to their qualifications and experience, the same ranks, grades, and ratings as are provided for the personnel of the regular Coast Guard Reserve. When performing active duty with pay, as herein authorized, temporary members of the Reserve shall be entitled to receive the pay and allowances of their respective ranks, grades, or ratings, as may be authorized for members of the regular Coast Guard Reserve."

(5) Section 210. (a) At the end of the first sentence change the period to a colon and add the following: "And provided further, That notwithstanding the foregoing provisions of this section, the Commandant may prescribe a lesser amount as a uniform allow-

ance to such commissioned and warrant officers of the Reserve as are not required to purchase or have in their possession the complete outfit of uniform clothing which is prescribed for other commissioned and warrant officers of the Reserve."

(b) At the beginning of the second sentence insert the words "Cadets and" so that the second sentence, exclusive of provisos, shall read: "Cadets and enlisted men of the Reserve may be allowed the cost of, or issued such items of uniform, bedding, and equipment as may be prescribed by the Commandant."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONSTRUCTION OR ACQUISITION OF ADDITIONAL NAVAL AIRCRAFT—BILL PASSED OVER

The bill (S. 2496) to authorize the construction or acquisition of additional naval aircraft, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States is hereby authorized to acquire or construct nonrigid lighter-than-air craft, and spare parts and equipment, as may be necessary to provide and maintain the number of useful nonrigid lighter-than-air craft at a total of 72: *Provided*, That if, in the judgment of the Secretary of the Navy, the total number of nonrigid lighter-than-air craft authorized herein is not sufficient to meet the needs of the national defense, he may, with the approval of the President, make such plans for procurement as the situation may demand.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

Mr. DANAHER. Mr. President, with reference to Senate bill 2496, is the chairman of the Naval Affairs Committee or any member of the committee present, who might explain the purpose of this proposal?

THE PRESIDING OFFICER. Does the Senator wish to have the vote by which the bill was passed reconsidered?

Mr. DANAHER. Yes, Mr. President; I do.

THE PRESIDING OFFICER. Is there objection to reconsideration of the vote by which Senate bill 2496 was passed? The Chair hears none, and it is so ordered.

Mr. DANAHER. Mr. President, I simply wish to have the RECORD show some explanation from some member of the Committee on Naval Affairs as to what is contemplated by this particular bill.

THE PRESIDING OFFICER. The chairman of the Committee on Naval Affairs [Mr. WALSH] is now present.

Mr. WALSH. Mr. President, the purpose of this bill is to authorize the acquisition or construction of additional nonrigid lighter-than-air craft. The act approved June 15, 1940, authorized the acquisition or construction and the maintenance of the number of useful naval airplanes at a total of not more than 10,000 and the number of useful nonrigid lighter-than-air craft at a total of not more than 48.

The pending bill increases the number of useful nonrigid lighter-than-air craft from 48 to 72. It also provides the same flexibility for the procurement of nonrigid lighter-than-air craft as is provided for airplanes by section 8 of the act of July 19, 1940.

The Navy Department considers it essential at this time to procure 24 additional aircraft of this type in order to improve the security of coastal shipping and aid in current plans for intensification of antisubmarine warfare.

Mr. DANAHER. Mr. President, I anticipated as much as has been said by the Senator from Massachusetts after reading the report in the file, but I ask the Senator from Massachusetts if the authorization to expand the plans has not always been present in the law since the act of July 1940?

Mr. WALSH. It was present for aircraft, but not for nonrigid aircraft.

Mr. DANAHER. So that irrespective of the number of rigid aircraft, for example, which might have been in existence in July 1940, it always has lain within the power of the Secretary of the Navy to decide how many more he might wish to build.

Mr. WALSH. For airplanes.

Mr. DANAHER. For airplanes?

Mr. WALSH. But not for nonrigid craft. It gives him the same authority for nonrigid craft.

Mr. DANAHER. But does not the bill in line 7, on page 1, limit the maximum of nonrigid lighter-than-air craft to 72?

Mr. WALSH. Yes.

Mr. DANAHER. Why should that limitation be placed upon the Secretary of the Navy?

Mr. WALSH. Mr. President, although authority is given to increase the number, it is expected that when the Navy decides to increase the number it will come to Congress for approval, so that the Committee on Naval Affairs and the Appropriations Committee will have some knowledge of the extent of the expansion.

Mr. DANAHER. I thank the Senator.

Mr. GILLETTE. Mr. President, the Senator from Iowa was in the chair and did not have an opportunity to object to the consideration of the bill. I hope to offer an amendment to the bill, which will probably be of a controversial nature. Therefore, I ask that the bill go over.

THE PRESIDING OFFICER (Mr. ELLENDER in the chair). The bill will be passed over.

Mr. WALSH subsequently said: Mr. President, I ask unanimous consent that the Senate recur to the consideration of Calendar No. 1359, Senate bill 2496, to authorize the construction or acquisition of additional naval aircraft, and for other purposes.

THE PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts?

There being no objection, the Senate proceeded to consider the bill (S. 2496) to authorize the construction or acquisition of additional naval aircraft, and for other purposes.

Mr. WALSH. Mr. President, the Senator from Iowa [Mr. GILLETTE] objected

to this bill when it was under consideration previously. There has been a difference of opinion in the Senate committee as to whether the provisions in line 7, page 1, to the end of line 2 on page 2 should be retained in the bill. That provision reads as follows:

Provided, That if, in the judgment of the Secretary of the Navy, the total number of nonrigid lighter-than-air craft authorized herein is not sufficient to meet the needs of national defense, he may, with the approval of the President, make such plans for procurement as the situation may demand.

There is a feeling that that might deprive the Committee on Naval Affairs of the right to control the authorization of nonrigid aircraft. Therefore I am content that the bill be amended by striking out the proviso and that it be enacted in a form simply making provision for the acquisition of a total of 72 nonrigid aircraft.

The PRESIDING OFFICER. The Chair is informed that the Senator from Iowa [Mr. GILLETTE] had asked that the bill go over.

Mr. WALSH. I understand that; but I have conferred with the Senator from Iowa, and, if the amendment I have suggested be adopted, it is agreeable to him that the bill should be passed.

The PRESIDING OFFICER. The amendment offered by the Senator from Massachusetts will be stated.

The CHIEF CLERK. On page 1, line 7, it is proposed to strike out the following proviso: "*Provided, That if, in the judgment of the Secretary of the Navy, the total number of nonrigid lighter-than-air craft authorized herein is not sufficient to meet the needs of the national defense, he may, with the approval of the President, make such plans for procurement as the situation may demand.*"

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States is hereby authorized to acquire or construct nonrigid lighter-than-air craft, and spare parts and equipment, as may be necessary to provide and maintain the number of useful nonrigid lighter-than-air craft at a total of 72.

Sec. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

EDWIN L. WADE

The bill (H. R. 5687) for the relief of Edwin L. Wade, was considered, ordered to a third reading, read the third time, and passed.

ADDITIONAL APPOINTMENTS TO UNITED STATES NAVAL ACADEMY

The Senate proceeded to consider the bill (S. 2254) providing for certain additional appointments to the United States Military Academy and the United States Naval Academy, which had been reported from the Committee on Naval Affairs, with an amendment, to strike out all after the enacting clause and insert:

That the number of midshipmen authorized by law at the United States Naval Academy is hereby increased by 10, and the appointments of such additional midshipmen

shall be made annually by the President from qualified candidates who are sons of members of the naval forces of the United States who have been awarded either the Congressional Medal of Honor, the Navy Cross, or the Distinguished Service Medal. All appointments of such candidates shall be made in the order of merit after they have, in competition with each other, passed the mental examination now or hereafter required by law for entrance to the Naval Academy, and have passed the required physical examination for such entrance.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill providing for certain additional appointments to the United States Naval Academy."

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 8), proposing an amendment to the Constitution of the United States granting equal rights to men and women, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The joint resolution will be passed over.

CARE AND CUSTODY OF INSANE RESIDENTS OF ALASKA

The bill (S. 2248) to amend the law relating to the care and custody of insane residents of Alaska and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That when used in this act unless otherwise expressly stated or unless the context or subject matter requires—

(a) "Secretary" means Secretary of the Interior;

(b) "Alaska" means the Territory of Alaska;

(c) "Mental institution" means any asylum, sanitarium, or hospital under contract with the Department of the Interior or otherwise authorized by law to have the care, treatment, or custody of patients;

(d) "Resident" means a person who has his legal residence in Alaska;

(e) "Patient" means a resident of or person in Alaska who has been legally adjudged insane and committed to a mental institution;

(f) "Medical officer" means the Federal medical officer supervising the psychiatric care and treatment of patients at any medical institution.

Sec. 2. That portion of section 7 of the act entitled "An act relating to affairs in the Territories", approved February 6, 1909 (35 Stat. 600, 601), which reads as follows:

"That the Secretary of the Interior shall hereafter, as in his judgment may be deemed advisable, advertise for and receive bids for the care and custody of persons legally adjudged insane in the district of Alaska and in behalf of the United States shall contract, for 1 or more years, as may be deemed best, with a responsible asylum or sanitarium west of the main range of the Rocky Mountains, submitting the lowest and best responsible bid for the care and custody of persons legally adjudged insane in said district of Alaska, the cost of advertising for bids, executing the contract and caring for the insane to be paid from appropriations to be made for such service upon estimates to be submitted to Congress annually", is hereby amended to read as follows:

"The Secretary in behalf of the United States is authorized to contract, for 1 or more years, with a responsible asylum, sanitarium,

or hospital west of the main range of the Rocky Mountains submitting the lowest responsible bid for the care, treatment, and custody of patients. The cost of advertising for bids, executing the contract, and caring for the insane shall be paid from appropriations to be made for such service upon estimates to be submitted to Congress annually."

Sec. 3. The superintendent or other proper officer of any mental institution shall, upon admission of a patient to such institution, be entitled to the temporary and immediate custody of the moneys and personal property on the person of the patient and shall keep a proper account thereof. Such moneys may be used from time to time for the benefit of a patient if the patient so requests. Upon parole or discharge of any patient from such institution, all moneys and personal property remaining to the credit of the patient shall be returned to him or his legal representatives.

Sec. 4. Section 1 of the act entitled "An act to provide for the disposition of moneys of the legally adjudged insane of Alaska who have been cared for by the Secretary of the Interior," approved April 24, 1926 (44 Stat. 322), is hereby amended to read as follows:

"All articles of personal property belonging to a patient who has died prior to his parole or discharge from a mental institution or has eloped therefrom, and remaining in the custody of the superintendent or other proper officer of such institution, shall, if unclaimed by such patient, or his legal heirs or representatives, within the period of 5 years after the decease of such patient or the date of leaving the institution, be disposed of in such manner as the Secretary may prescribe, and any proceeds resulting therefrom shall be covered into the Treasury by the Secretary. Any moneys remaining to the credit of such patient, if unclaimed by his legal heirs or representatives or such patient within the period of 5 years after the decease of such patient or the date of the leaving of such institution, shall be covered into the Treasury by the Secretary."

Sec. 5. Section 2 of the act entitled "An act to provide for the disposition of moneys of the legally adjudged insane of Alaska who have been cared for by the Secretary of the Interior," approved April 24, 1926 (44 Stat. 322), is hereby amended to read as follows:

"The Secretary shall cause diligent inquiry to be made, in every instance after death or elopement of any patient, to ascertain his whereabouts or that of his legal heirs or representatives and shall turn over to the proper party or parties any moneys or articles of personal property in the custody of the superintendent of the institution to the credit of such person. Claims to such moneys or articles of personal property may be presented to the Secretary at any time. In the event a claim is established by competent proof more than 5 years after the death or elopement of a patient, it shall be certified to Congress for consideration."

Sec. 6. The superintendent of any mental institution shall discharge any patient, except one held on order of a court or judge having criminal jurisdiction in any action or proceeding arising out of a criminal offense, as follows:

(1) Upon the written certification by the medical officer that such patient is considered to be recovered.

(2) Upon the written certification by the medical officer that such patient, while not recovered, is considered in remission and is not deemed dangerous to himself or others and is able to support himself.

(3) Upon the return of such patient, if a nonresident of Alaska, to his legal residence or upon transfer of such patient to a United States Veterans' Bureau facility.

(4) Upon order by a court or judge having jurisdiction.

(5) After the continuous absence on leave of such patient from such mental institution for more than 12 months unless, in the judgment of the medical officer, such

discharge would not be in the best interests of the public and the patient.

(b) The superintendent of any mental institution may permit absence on leave to any patient, who is not recovered, under conditions that are satisfactory to the medical officer and when, in the judgment of the medical officer, absence on leave will not be detrimental to the public welfare and will be of benefit to such patient: *Provided*, That the superintendent shall satisfy himself, by sufficient proof, that such patient is able to support himself or that the friends or relatives of such patient are willing and financially able to receive and care for such patient: *And provided further*, That the order committing such patient to such institution shall continue in force and effect until he is discharged as herein provided. A mental institution shall not be liable for the expense or support of a patient while he is on leave of absence. The superintendent of a mental institution from which a patient is absent on leave shall terminate the leave and authorize and direct the actual return of such patient to such institution when, in the judgment of the medical officer, the return of the patient to the institution would be in the best interests of the public and the patient. Any patient who is absent on leave or escapes from a mental institution to which he has been committed, may, upon the direction of the superintendent of such institution, be returned thereto by a peace officer or any officer or employee of such institution.

(c) No patient shall be discharged or granted absence on leave from a mental institution without suitable clothing and the Secretary may furnish the same, and such amount of money, not exceeding \$25, as the medical officer may consider necessary. The Secretary may also furnish to any patient, who has been discharged or granted absence on leave, transportation to his legal residence or to such other place as the Secretary may deem appropriate, provided that the cost of such transportation shall not exceed the cost of transporting such patient to his legal residence.

SEC. 7. (a) The superintendent of any mental institution may place at board in a suitable family in a place in Alaska or elsewhere any patient who is considered by the medical officer to be a suitable person for boarding out. Such boarder shall be deemed to be a patient of the institution. The cost to the United States of the board of such patient shall not exceed the amount specified by the Secretary.

(b) The superintendent of the institution shall cause all patients placed at board by such institution in families at the expense of the United States to be inspected at suitable intervals by a representative of the institution.

(c) The superintendent of the institution may at any time remove to another boarding place, or back to the institution whence the boarded-out patient came, any or all such patients in accordance with the judgment of the medical officer of what will be most beneficial to them. Not more than four patients shall be boarded out at the same time at any one home or family.

SEC. 8. The commitment papers of any person adjudged insane in Alaska shall include a statement by the committing authority as to the legal residence of such person. The Secretary shall, as soon as practicable, return to the State or country to which they have a legal residence all patients who are not residents of Alaska. For the purpose of facilitating the return of such persons, the Secretary may enter into a reciprocal agreement with any State or political subdivision thereof for prompt return under proper supervision of residents of such State or Alaska who have been legally adjudged insane. Residents of Alaska who have been legally adjudged insane outside of Alaska shall, with the approval of the Secretary, be transferred to a mental in-

stitution. All expenses incurred in returning to their legal residence patients who are non-residents of Alaska may be paid from applicable appropriations for the care and custody of the insane of Alaska, but the expense of transferring residents of Alaska who have been legally adjudged insane outside of Alaska shall be borne by the State making the transfer.

SEC. 9. It shall be the duty of a patient, or his legal representative, spouse, parents, adult children, in that sequence, to pay or contribute to the payment of the charges for the care or treatment of such patient in such manner and proportion as the Secretary may find to be within their ability to pay: *Provided*, That such charges shall in no case exceed the actual cost of such care and treatment. The order of the Secretary relating to the payment of charges by persons other than the patient, or his legal representative shall be prospective in effect and shall relate only to charges to be incurred subsequent to the order: *Provided, however*, That if any of the above-named persons willfully conceal their ability to pay, such persons shall be ordered to pay, to the extent of their ability, charges accruing during the period of such concealment. The Secretary may cause to be made such investigations as may be necessary to determine such ability to pay, including the requirement of sworn statements of income by such persons.

SEC. 10. Any acts, or parts thereof, in conflict with the provisions hereof are hereby repealed.

ISABELLE FULLER

The bill (S. 2420) for the relief of Isabelle Fuller was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Isabelle Fuller, Orlando, Fla., the sum of \$500, in full satisfaction of her claims against the United States for reimbursement of medical and hospital expenses incurred by her and for compensation for personal injuries sustained by her as the result of the automobile driven by her husband, H. H. Fuller, and in which she was riding as a passenger, having been struck by a United States Army truck in Orlando, Fla., on December 13, 1940: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

COMMANDER CATO D. GLOVER

The bill (H. R. 6365) for the relief of Commander Cato D. Glover was considered, ordered to a third reading, read the third time, and passed.

FRED FARNER AND DORIS M. SCHROEDER

The bill (H. R. 6748) for the relief of Fred Farner and Doris M. Schroeder was considered, ordered to a third reading, read the third time, and passed.

J. C. LEMON, LOUIS MCCOY, AND PATRICIA MCCOY

The Senate proceeded to consider the bill (H. R. 4941) for the relief of J. C. Lemon, Louis McCoy, and Patricia McCoy, which had been reported from the Committee on Claims, with an amendment, on page 2, line 7, after the words

"the sum of", to strike out "\$5,954.66" and insert "\$5,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

WILLIAM TIPTON, MRS. WILLIAM TIPTON, AND MRS. EULA NELSON

The Senate proceeded to consider the bill (H. R. 6033) for the relief of William Tipton, Mrs. William Tipton, and Mrs. Eula Nelson, which had been reported from the Committee on Claims, with amendments, on page 1, line 6, after the words "the sum of", to strike out "\$5,000" and insert in lieu thereof "\$4,000"; and in line 7, after the words "the sum of", to strike out "\$3,500" and insert "\$3,000."

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

REITA M. LARY

The bill (S. 2099) for the relief of Mrs. Reita M. Lary was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Reita M. Lary, of Denver, Colo., the sum of \$1,266.16, representing compensation for the accrued leave due her husband, Howard N. Lary, who died on August 6, 1941, while he was an employee of the Securities and Exchange Commission in its regional office at Denver, Colo.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

GEORGE P. CRAWFORD

The bill (H. R. 2427) for the relief of George P. Crawford was considered, ordered to a third reading, read the third time, and passed.

L. H. MARTIN

The bill (H. R. 2934) for the relief of L. H. Martin was considered, ordered to a third reading, read the third time, and passed.

CARL L. JONES

The bill (H. R. 2014) for the relief of Carl L. Jones was announced as next in order.

Mr. WHITE. Mr. President, there is a committee amendment to this bill, and I am presuming to express the hope that the Senate will reject the committee amendment and allow the bill to be passed in the amount approved by the House.

Let me very briefly state the circumstances. Carl L. Jones was injured in a collision with a Government car, he being in an automobile driven by another person. There is no question in the mind of anyone as to the responsibility for the

accident. The War Department agrees on the question of responsibility. It seems to me that the \$5,000 which the House approved for this injured man and his family is not extravagant.

The man is about 32 years of age, with his life before him. He has a wife and four small children, the eldest of whom I think is 11 years of age. He has been permanently injured. The medical testimony places an impairment of his earning capacity to the extent of between 40 and 75 percent. The injury has affected his left arm, destroyed the power of rotation of the elbow, and made it impossible for him to close his hand. He is a workingman.

It seems to me that under those circumstances, with a wife and four small children dependent upon him, and with his earning capacity impaired to the extent indicated, it would be appropriate for the Senate to accept the judgment of the House and pass the bill in the amount approved by the House.

I hope the committee amendment will be rejected.

Mr. HUGHES. Mr. President, the Senator from Tennessee [Mr. STEWART], who was chairman of the subcommittee which considered the bill, is not present. I ask that the bill go over until he can be present.

The PRESIDING OFFICER. The bill will be passed over.

L. W. MAREK, JR.

The Senate proceeded to consider the bill (H. R. 2646) for the relief of L. W. Marek, Jr., which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "the sum of", to strike out "\$3,500" and insert in lieu thereof "\$4,500."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

G. C. BARCO

The Senate proceeded to consider the bill (S. 1220) for the relief of G. C. Barco, which had been reported from the Committee on Claims with an amendment, to strike out all after the enacting clause and insert:

That the Attorney General of the United States is hereby authorized and directed to cancel the judgment in favor of the United States against G. C. Barco and W. G. Knowles, of West Palm Beach, Fla., as sureties on a forfeited bail bond in a criminal proceeding against Courtney Hardin in the United States District Court for the Southern District of Florida.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of G. C. Barco and W. G. Knowles."

WALTER B. WILLIAMS, JR.

The bill (H. R. 3201) for the relief of Walter B. Williams, Jr., was considered, ordered to a third reading, read the third time, and passed.

JOSEPH DONATELLI AND ROSE DONATELLI

The bill (H. R. 4526) for the relief of Joseph Donatelli and Rose Donatelli was considered, ordered to a third reading, read the third time, and passed.

GERNEY M. CLAIBORNE

The bill (H. R. 5527) for the relief of Gerney M. Claiborne was considered, ordered to a third reading, read the third time, and passed.

E. A. WILLIAMS

The Senate proceeded to consider the bill (H. R. 5920) for the relief of E. A. Williams, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "the sum of", to strike out "\$5,540" and insert in lieu thereof "\$4,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

WILEY W. WATKINS

The bill (H. R. 2925) for the relief of Wiley W. Watkins was considered, ordered to a third reading, read the third time, and passed.

EMIL LASSILA, MARTHA LASSILA, ELLEN HUHTA, AND SYLVIA HUHTA

The Senate proceeded to consider the bill (H. R. 4953) for the relief of Emil Lassila, Martha Lassila, Ellen Huhta, and Sylvia Huhta, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "the sum of", to strike out "\$929.25" and insert in lieu thereof "\$361.25"; at the beginning of line 8, to strike out "\$1,057.65" and insert in lieu thereof "\$557.65"; in line 9, after the words "the sum of", to strike out "\$3,300.65" and insert in lieu thereof "\$1,100.65"; and in line 11, after the words "sum of", to strike out "\$1,557.85" and insert in lieu thereof "\$557.85."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

JAMES GILMORE AND MARIAN E. GILMORE

The Senate proceeded to consider the bill (H. R. 6557) for the relief of James Gilmore and Marian E. Gilmore, which had been reported from the Committee on Claims with amendments, in line 6, after the words "sum of", to strike out "\$2,362.23" and insert in lieu thereof "\$2,000"; and at the beginning of line 8 to strike out "\$1,479.31" and insert in lieu thereof "\$1,000."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MRS. LILA A. WEMP

The bill (S. 2165) for the relief of Mrs. Lila A. Wemp was announced as next in order.

Mr. DANAHER. Mr. President, this is an interesting bill, providing for legislative interposition in the administration of the National Service Life Insurance Act. I do not know how this particular bill reached the Committee on Claims, since all such matters normally are referred to the Committee on Finance. I should like to ask the sponsor of the bill the reason for referring the bill to the Committee on Claims.

The PRESIDING OFFICER. The Chair is informed by the clerk that the bill came to the desk with a notation to the effect that it should be referred to the Committee on Claims.

Mr. BROWN. Mr. President, I have no recollection of the bill. I shall be glad to have it go over until Monday, so that I may find out what there is to it.

Mr. GEORGE. Mr. President, the bill should be referred to the Committee on Finance, because it provides for payment to a beneficiary under exactly the same conditions under which nonpayment has resulted to other beneficiaries standing precisely in the same place. It is therefore most unfortunate to have the jurisdiction split on matters of this kind. In one case relief may be given or insurance benefits may be paid, and in another case, standing upon the same moral basis and upon the same general factual basis, such benefits may be denied. This bill should be referred to the Finance Committee for consideration.

The PRESIDING OFFICER. Does the Senator make such a motion?

Mr. BROWN. Mr. President, I have no personal knowledge or recollection of this measure, but I notice, on looking it over, that it is a bill which should go to the Finance Committee. Evidently the report from the Government agency was written by Mr. Hines, Administrator of Veterans' Affairs. The Claims Committee does not, as a general thing, entertain jurisdiction of claims of this character. Therefore I am agreeable that the bill should be referred to the Committee on Finance.

The PRESIDING OFFICER. Without objection, the bill will be referred to the Finance Committee.

EILEEN COLLINS TREACY

The bill (S. 2470) for the relief of Eileen Collins Treacy, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000 to Eileen Collins Treacy, widow of Hubert John Treacy, Jr., a special agent of the Federal Bureau of Investigation of the Department of Justice, who was killed in Abingdon, Va., on March 13, 1942, in the line of his official duty: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

ESTATE OF TOM GENTRY

The bill (H. R. 6797) for the relief of the estate of Tom Gentry, was considered, ordered to a third reading, read the third time, and passed.

COMMODITY CREDIT CORPORATION
LOANS ON COTTON, CORN, AND
WHEAT

The bill (S. 2495) extending the maturity date of loans made or arranged for by the Commodity Credit Corporation on cotton, corn, and wheat of the 1941 crop, was announced as next in order.

Mr. DANAHER. Mr. President, may we have an explanation of the bill?

Mr. SMITH. The bill simply provides an extension of the loans on the commodities mentioned in the title. Under the present law the Government has the option. The notes are called demand notes, and it is desired to give the farmers the benefit of an extension of a year in order that they may have the benefit of any rise in prices, whatever it may be.

Mr. DANAHER. Will the Senator yield for a question?

Mr. SMITH. I yield.

Mr. DANAHER. Granted the bill passes, will not the Commodity Credit Corporation be forbidden to sell or otherwise dispose of any of the crops pledged against the notes?

Mr. SMITH. Except when the man who made the note and furnished the collateral indicates that he wants that done. I think that is perfectly clear.

Mr. DANAHER. Is there anything in the present law which makes such a prohibition legislative?

Mr. SMITH. Under the present law, the loans expire some time in June.

Mr. DANAHER. Yes.

Mr. SMITH. Thereafter, the Government can take them over if it should see fit to do so. I simply want to have the notes extended for a year.

Mr. TAFT. Will the Senator yield?

Mr. SMITH. I yield.

Mr. TAFT. Let me ask whether the note maker would have to pay any additional carrying charges during the year, or would it all be carried over?

Mr. SMITH. It would all be carried over.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill, S. 2495, was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Commodity Credit Corporation is hereby authorized and directed to provide for the extension of the maturity date of all notes evidencing a loan made or arranged for by the Corporation on cotton, corn, and wheat of the 1941 crop. Such extension shall be for a period which expires 1 year after the date of enactment of this act. During the period of such extension, the Corporation shall not sell or otherwise dispose of any cotton, corn, or wheat of the 1941 crop with respect to which any such note is outstanding except upon request of the person liable on the note.

BILL PASSED OVER

The bill (S. 2471) to amend the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, with respect to its ap-

plication to officers and employees of educational, religious, eleemosynary, philanthropic, and cultural institutions, establishments, and agencies, commonly known as the Hatch Act, was announced as next in order.

Mr. HOLMAN. I request that the bill go over until I have a chance to study it.

The PRESIDING OFFICER. The bill will be passed over.

ROY CHANDLER

The bill (S. 2310) for the relief of Roy Chandler was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Roy Chandler, late private, Company G, Thirty-ninth Regiment United States Infantry, shall be held and considered to have been honorably discharged from the military service of the United States as a member of said organization on August 17, 1918: *Provided,* That no back pay, pension, bounty, or other emolument shall accrue prior to the passage of this act.

ELIMINATION OF MONTHLY REPORT OF
NUMBER OF MEN IN TRAINING AND
SERVICE

The bill (S. 2437) to amend section 9 of the act of August 18, 1941 (Public Law 213, 77th Cong.), by striking out the proviso thereto which requires a monthly report by the Secretary of War to the Congress of the number of men in active training and service, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 9 of the act of August 18, 1941 (Public Law 213, 77th Cong.), be, and the same is hereby, amended by striking out the proviso thereto, so that the said section, as amended, shall read:

"Sec. 9. During the existence of the authority conferred by section 2 of this joint resolution and for 6 months thereafter the limitation on the number of men who may be in active training and service at any one time under section 3 (b) of the Selective Training and Service Act of 1940 is hereby suspended."

EXCHANGE OF LANDS IN PHILADELPHIA

The bill (S. 2488) to authorize the exchange of lands in the city of Philadelphia, Pa., between the War Department and the city of Philadelphia, trustee under the will of Stephen Girard, deceased, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to convey to the city of Philadelphia, trustee under the will of Stephen Girard, deceased, all right, title, and interest of the United States in and to a triangular parcel of land containing 13,715.84 square feet, more or less, situated at the northeast corner of and comprising a portion of the Philadelphia Quartermaster Depot, Pennsylvania, and fronting on Oregon Avenue east of Twenty-first Street in the city of Philadelphia, Pa., and to accept in exchange therefor the fee-simple title to a strip of land containing 9,819.75 square feet, more or less, and being the northern portion of what was formerly Johnston Street west of Twentieth Street in the City of Philadelphia, Pa., the exchange herein authorized to be made under such terms and conditions as the Secretary of War may prescribe.

ACQUISITION OF INDIAN LANDS

The bill (S. 2369) for the acquisition of Indian lands required in connection with the construction, operation, and maintenance of electric transmission lines and other works, Parker Dam power project, Arizona-California, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in aid of the construction of the Parker Dam power project, there is hereby granted to the United States, subject to the provisions of this act, such right, title, and interest of the Indians as may be required in and to such tribal and allotted lands as may be designated by the Secretary of the Interior from time to time for the construction, operation, and maintenance of electric transmission lines and other works of the project or for the relocation or reconstruction of properties made necessary by the construction of the project.

Sec. 2. As lands or interests in lands are designated from time to time under this act, the Secretary of the Interior shall determine the amount of money to be paid to the Indians as just and equitable compensation therefor. The amounts due the tribe and the individual allottees or their heirs or devisees shall be paid from funds now or hereafter made available for the Parker Dam power project to the superintendent of the appropriate Indian agency, or such other officer as may be designated by the Secretary of the Interior, for credit on the books of such agency to the accounts of the tribe and the individuals concerned.

Sec. 3. Funds deposited to the credit of allottees, their heirs, or devisees, may be used, in the discretion of the Secretary of the Interior, for the acquisition of other lands and improvements, or the relocation of existing improvements or construction of new improvements on the lands so acquired for the allottees or heirs whose lands and improvements are acquired under the provisions of this act. Lands so acquired shall be held in the same status as those from which the funds were derived, and shall be nontaxable until otherwise provided by Congress.

Sec. 4. The Secretary of the Interior is hereby authorized to perform any and all acts and to prescribe such regulations as he may deem appropriate to carry out the provisions of this act.

DISPOSITION OF PROPERTY OF INDIANS
DYING INTTESTATE WITHOUT HEIRS

The Senate proceeded to consider the bill (H. R. 4533) to provide for the disposition of trust or restricted estates of Indians dying intestate without heirs, which had been reported from the Committee on Indian Affairs, with amendments, on page 2, in line 1, after the word "estate", to insert "and subject to all valid existing agricultural, surface, and mineral leases and the rights of any person thereunder"; in line 16, after the word "sold" and the comma, to insert "subject to all valid existing agricultural, surface, and mineral leases and the rights of any person thereunder"; on page 3, in line 1, after the words "United States" and the comma, to insert "subject to all valid existing agricultural, surface, and mineral leases and the rights of any person thereunder"; in line 16, after the word "designate" and the comma, to insert "subject to all valid existing agricultural, surface, and mineral leases and the rights of any person thereunder"; after line 18, to insert the following new section:

Sec. 3. The provisions of this act shall not apply to the Indians of the Five Civilized Tribes or the Osage Reservation, in Oklahoma.

On page 3, in line 22, after the word "Sec.", to strike out the numeral "3" and insert "4."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

TLINGIT AND HAIDA INDIANS OF ALASKA

The bill (H. R. 5484) for the relief of the Tlingit and Haida Indians of Alaska was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF PHILADELPHIA, BALTIMORE & WASHINGTON RAILROAD CO. TRACK, WASHINGTON, D. C.

The bill (S. 2526) to amend section 1 of the act entitled "An act to authorize the Philadelphia, Baltimore & Washington Railroad Co. to extend its present track connection with the United States Navy Yard was announced as next in order.

The PRESIDING OFFICER. The Chair lays before the Senate a bill coming over from the House of Representatives which is identical with the Senate bill and deals with the same subject matter.

The bill (H. R. 7097) to amend section 1 of the act entitled "An act to authorize the Philadelphia, Baltimore & Washington Railroad Co. to extend its present track connection with the United States navy yard so as to provide adequate railroad facilities in connection with the development of Buzzards Point as an industrial area in the District of Columbia, and for other purposes," approved June 18, 1932 (47 Stat. 322), as amended by the act approved June 20, 1939 (53 Stat. 849), was read twice by title.

The PRESIDING OFFICER. Without objection the bill just laid before the Senate will be substituted for Senate bill 2526. Is there objection to proceeding to consider House bill 7097?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2526 will be indefinitely postponed.

ACCEPTANCE OF CERTAIN DECORATIONS BY HUGH S. CUMMING

The joint resolution (S. J. Res. 140) granting permission to Hugh S. Cumming, Surgeon General (retired) of the United States Public Health Service, to accept certain decorations bestowed upon him by the Republics of Colombia, Haiti, and Chile, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That Hugh S. Cumming, Surgeon General (retired) of the United States Public Health Service, be authorized to accept and wear the decoration of "Order of Boyacá" tendered by His Excellency, the Ambassador from Colombia, in the name of the Republic of Colombia; the decoration of "Honneur et Mérite" (grade of commander), tendered by His Excellency, the Minister from Haiti, in the name of the Republic of Haiti; and the decoration "El Merito," tendered by

His Excellency, the Ambassador from Chile, in the name of the Republic of Chile, all of which decorations have been conferred upon Surg. Gen. Hugh S. Cumming (retired), by the Republics mentioned, for scientific service, and that the Department of State is hereby authorized and permitted to deliver the above-mentioned decorations to Hugh S. Cumming, Surgeon General (retired) of the United States Public Health Service.

SETTLEMENT OF AGRICULTURAL ADJUSTMENT ACCOUNTS

The bill (H. R. 5636) to expedite the settlement of claims and accounts incident to certain agricultural adjustment programs, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

ALFRED SMITH

The bill (H. R. 4629) for the relief of Alfred Smith was considered, ordered to a third reading, read the third time, and passed.

J. J. MCINTOSH

The bill (H. R. 5329) for the relief of J. J. McIntosh, was considered, ordered to a third reading, read the third time, and passed.

GLENN A. HOSS

The bill (H. R. 5772) for the relief of Glenn A. Hoss was considered, ordered to a third reading, read the third time, and passed.

MRS. JULIA CAMPBELL

The bill (H. R. 5847) for the relief of Mrs. Julia Campbell was considered, ordered to a third reading, read the third time, and passed.

CECILE McLAUGHLIN

The Senate proceeded to consider the bill (H. R. 5496) for the relief of Cecile McLaughlin, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of" to strike out "\$2,000" and insert "\$1,090."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

KATHRYN O. SWEENEY AND OTHERS

The bill (H. R. 488) for the relief of Kathryn O. Sweeney and others, was considered, ordered to a third reading, read the third time, and passed.

LILLIAN LAST

The bill (H. R. 1736) for the relief of Lillian Last was considered, ordered to a third reading, read the third time, and passed.

DAVID CARON

The Senate proceeded to consider the bill (H. R. 5454) for the relief of David Caron, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "\$3,500" and insert "\$2,500."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

HENRY DALEY, GUARDIAN FOR JAMES RAY DALEY AND NORMAN FRANKLIN DALEY

The Senate proceeded to consider the bill (H. R. 5499) for the relief of Henry Daley, guardian for James Ray Daley and Norman Franklin Daley, which had been reported from the Committee on Claims with amendments, on page 1, at the beginning of line 7, to strike out "\$3,000" and insert "\$1,800"; and at the beginning of line 8 to strike out "\$1,500" and insert "\$500."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (S. 2186) for the relief of Viola Dale was announced as next in order.

Mr. HUGHES. Mr. President, at the request of the junior Senator from Arizona [Mr. McFarland], who is not present, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

JAMES D. G. ALEXANDER

The bill (H. R. 1757) for the relief of James D. G. Alexander, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 5794) for the relief of Mrs. Julia Johnson was announced as next in order.

Mr. DANAHER. Mr. President, is there anything in the report of the committees, let me ask the member of the Claims Committee who is in charge of the bill, to indicate how old the victim of the accident is or was?

The PRESIDING OFFICER. The Senator from Illinois [Mr. Brooks], who reported the bill, is not now in the Chamber.

Mr. DANAHER. I do not wish to object to the bill or have consideration postponed until the Senator's return; but I ask that it be temporarily passed over so that I may examine the report.

The PRESIDING OFFICER. Without objection, the bill will be temporarily passed over.

Mr. DANAHER subsequently said: Mr. President, the present occupant of the chair will doubtless recall that I asked to have Calendar No. 1416, House bill 5794, for the relief of Mrs. Julia Johnson, passed over. The bill would authorize an appropriation in behalf of Mrs. Julia Johnson, mother of Roy Owen, deceased. Examination of the report does not indicate how old the deceased was; it does not indicate Mrs. Johnson is, in fact, the mother, but rather indicates she is the stepmother of the deceased, and it hence does not become apparent that she is the person solely entitled to the avails of the fund to be appropriated. I therefore believe that the Record should show that the payment, in fact, is to be to this particular person, as guardian of a minor son, or in some conclusively representative capacity, and on that account, until such

fact be made apparent, I shall ask that the bill go over.

The PRESIDING OFFICER. The bill has been passed over.

JAMES B. SHULER

The Senate proceeded to consider the bill (S. 1953) for the relief of James B. Shuler, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert the following:

That jurisdiction is hereby conferred upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment, as if the United States were suable in tort, upon the claim of James B. Shuler, of McClellanville, S. C., in his individual capacity and as husband and legal representative of the estate of Elise Morrison Shuler, deceased, and as father of Ellie S. Shuler, deceased, against the United States of America for alleged damages as the result of a collision between the automobile of James B. Shuler and a Civilian Conservation Corps truck on United States Highway No. 17, about 1½ miles north of McClellanville, S. C., on August 7, 1938, in which Elise Morrison Shuler, wife of James B. Shuler, and Ellie S. Shuler, son of James B. Shuler, were fatally injured, and James B. Shuler was injured.

SEC. 2. In determination of such claims, the United States shall be held liable for the acts of its officers and employees to the same extent as if it were a private person, except that any judgment rendered on each claim shall not exceed \$5,000.

SEC. 3. Suits upon such claims may be instituted at any time within 1 year after the date of enactment of this act, notwithstanding lapse of time or any statute of limitations. Proceedings for the determination of such claims and appeals from and payment of any judgment thereon shall be in the same manner as in the case of claims over which such court has jurisdiction under the provisions of paragraph "Twentieth" of section 24 of the Judicial Code, as amended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of James B. Shuler in his individual capacity and as husband and legal representative of the estate of Elise Morrison Shuler, deceased, and as father of Ellie S. Shuler, deceased."

GEORGE W. LYLE

The bill (H. R. 5713) for the relief of George W. Lyle under the jurisdiction of the United States Employees' Compensation Commission was considered, ordered to a third reading, read the third time, and passed.

CHARLES L. LAIR

The Senate proceeded to consider the bill (H. R. 4370) for the relief of Charles L. Lair, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "\$3,500" and insert "\$2,500."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ESTATES OF JULIAN B. WIGGINS AND
R. E. THOMPSON

The Senate proceeded to consider the bill (H. R. 4554) for the relief of the estate of Julian B. Wiggins, deceased, and the estate of R. E. Thompson, deceased, which had been reported from the Committee on Claims with an amendment, on page 1, in line 7, after the words "sum of", to strike out "\$4,000", and insert "\$2,500".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BAYARD M. ATWOOD

The bill (S. 2203) for the relief of Bayard M. Atwood was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the limitations of time in sections 15 to 20, inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby waived in favor of Bayard M. Atwood, of Phoenix, Ariz., and the Employees' Compensation Commission is hereby authorized and directed to receive and consider his claim if filed within 6 months of the approval of this act for disability alleged to have been sustained in the performance of his duties as United States soil conservation service camp superintendent at Safford, Ariz., in March 1940.

CLARA WROBLISKI

The Senate proceeded to consider the bill (S. 2191) for the relief of Clara Wrobliski, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "\$5,584.20" and insert "\$2,334.20", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clara Wrobliski, of Salem, Ore., the sum of \$2,334.20, in full settlement of all claims against the United States for personal injuries sustained on July 27, 1941, when the car which she was driving struck a partially open traffic-control gate in the Sluslaw National Forest, State of Oregon: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JAMES P. CRAWFORD

The bill (H. R. 5013) for the relief of James P. Crawford was considered, ordered to a third reading, read the third time, and passed.

E. M. CONROY

The bill (H. R. 5210) for the relief of E. M. Conroy was considered, ordered to

a third reading, read the third time, and passed.

JAMES M. HAYS

The bill (H. R. 5680) for the relief of James M. Hays was considered, ordered to a third reading, read the third time, and passed.

ANNA DANIELSON AND BETTY TIEDEMAN

The bill (H. R. 5723) for the relief of Anna Danielson and Betty Tiedeman, was considered, ordered to a third reading, read the third time, and passed.

LEGAL GUARDIAN OF RUDOLPH
TREIBER, JR.

The bill (H. R. 5910) for the relief of the legal guardian of Rudolph Treiber, Jr., a minor, was considered, ordered to a third reading, read the third time, and passed.

INTERIOR DEPARTMENT APPROPRIATIONS—BILL PASSED OVER

The bill (H. R. 6845) making appropriations for the Department of the Interior, for the fiscal year ending June 30, 1943, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. This is the Interior Department Appropriation bill and will be passed over.

Mr. BARKLEY. Mr. President, it is intended that the Department of the Interior appropriation bill shall be taken up for consideration tomorrow. Therefore I ask unanimous consent that following the conclusion of the call of the calendar the bill be taken up, with the understanding that it will not be considered until tomorrow, but will be made the unfinished business today.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

USE OF PUBLIC LANDS IN CONNECTION
WITH MANUFACTURE OF MUNITIONS
OF WAR

The bill (S. 1818) to authorize the lease or sale of public lands for use in connection with the manufacture of arms, ammunition, and implements of war, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Calendar No. 1430, House bill 5394, is an identical bill. Without objection, the House bill will be substituted for the Senate bill and will be considered at this time.

There being no objection, the Senate proceeded to consider the bill (H. R. 5394) to authorize the lease or sale of public lands for use in connection with the manufacture of arms, ammunition, and implements of war, and for other purposes, which was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1818 will be indefinitely postponed.

HENRY MARTIN COFFMAN

The bill (H. R. 1162) authorizing the Secretary of the Interior to accept the final homestead proof submitted by Henry Martin Coffman was considered, ordered to a third reading, read the third time, and passed.

SALE OF CERTAIN PUBLIC LANDS IN ALASKA

The bill (H. R. 4347) to authorize the sale of certain public lands in Alaska to the North Pacific Union Conference Association of Seventh-day Adventists was considered, ordered to a third reading, read the third time, and passed.

ADDITIONS TO BOISE, SALMON, AND TARGHEE NATIONAL FORESTS, IDAHO

The bill (H. R. 4733) to add certain land to the Boise National Forest, the Salmon National Forest, and the Targhee National Forest in the State of Idaho, was considered, ordered to a third reading, read the third time, and passed.

POLICE JURISDICTION OVER SHENANDOAH NATIONAL PARK

The bill (H. R. 5016) to amend section 1 of the act approved August 19, 1937, entitled "An act to direct the Secretary of the Interior to notify the State of Virginia that the United States assumes police jurisdiction over the lands embraced within the Shenandoah National Park," was considered, ordered to a third reading, read the third time, and passed.

QUITCLAIM TO LANDS OF GOOSE LAKE IN OREGON AND CALIFORNIA

The bill (H. R. 5490) to authorize the Secretary of the Interior to quitclaim to the States of Oregon and California, respectively, all rights, title, and interest of the United States in and to the lands of Goose Lake in Oregon and California, was considered, ordered to a third reading, read the third time, and passed.

CLAIM OF AUGUSTUS DOMINIQUE TUREAND TO LANDS IN LOUISIANA

The bill (H. R. 6102) confirming the claim of Augustus Dominique Tureand, for the Church of St. Jacques to certain lands in the State of Louisiana, parish of St. James, said claim being listed as No. 392, was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF CONSTITUTION OF NEW MEXICO

The bill (H. R. 6625) granting the consent of Congress to an amendment to the constitution of the State of New Mexico, providing a method for executing leases for grazing and agricultural purposes on lands granted or confirmed to the State of New Mexico, by the act of Congress approved June 20, 1910, was considered, ordered to a third reading, read the third time, and passed.

LEMUEL T. ROOT, JR.

The Senate proceeded to consider the bill (S. 925) for the relief of Lemuel T. Root, Jr., which had been reported from the Committee on Public Lands and Surveys, with an amendment, to strike out all after the enacting clause, and insert:

That the claim of Lemuel T. Root, Jr., of Hoquiam, Wash., is hereby transferred to the United States Court of Claims for any relief that he may be able to prove to be due him.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADDITION TO SEQUOIA NATIONAL FOREST

The Senate proceeded to consider the bill (H. R. 4975) to add certain lands to the Sequoia National Forest, Calif., which had been reported from the Committee on Public Lands and Surveys, with an amendment, on page 1, line 3, to strike out "That, subject to existing valid claims, the following described lands be, and the same are hereby, added to the Sequoia National Forest, Calif., and made subject to all laws and regulations relating to said national forest," and to insert "That, subject to existing valid claims, the boundaries of the Sequoia National Forest, Calif., be, and they are hereby, extended to include the following described lands, which shall hereafter be subject to the laws, rules, and regulations relating to said national forest."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

GRANTING OF PREFERENCE TO CERTAIN OIL AND GAS LESSEES

The Senate proceeded to consider the bill (H. R. 6071) to grant a preference to certain oil and gas lessees, which had been reported from the Committee on Public Lands and Surveys, with an amendment, on page 2, after line 5, to insert a new section, as follows:

SEC. 2. The Secretary of the Interior is authorized to make a compromise settlement of any claim for accrued rental under a lease issued pursuant to the provisions of section 13 of such act of February 25, 1920, as amended, in any case in which he determines that it would be financially beneficial to the United States to make such a compromise settlement or in any case in which he determines that collection of the full amount of such accrued rental from the lessee is inadvisable because of the lessee's financial resources being limited.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

DISPOSITION OF RECREATIONAL DEMONSTRATION PROJECTS

The bill (H. R. 2685) to authorize the disposition of recreational demonstration projects, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

EXTRACTION OF GOLD-BEARING ORE FROM RUCK-A-CHUCKY DAM SITE

The bill (H. R. 4213) for the relief of persons in connection with the extraction of gold-bearing ore from Ruck-a-Chucky Dam site was considered, ordered to a third reading, read the third time, and passed.

DEVELOPMENT OF MINERALS IN NORTH DAKOTA

The Senate proceeded to consider the bill (S. 1788) to provide for the leasing of certain lands of the United States in the State of North Dakota for the development of oil, gas, and other minerals, which had been reported from

the Committee on Public Lands and Surveys with amendments, on page 1, line 3, after "Secretary of the Interior", to strike out "with the consent and approval of the Secretary of Agriculture,"; on page 2, line 5, after the word "acquired", to strike out "Provided further, That any applications for oil and gas leases under said act of February 25, 1920, as amended, now pending before the Department of the Interior shall be considered as entitling the applicants thereunder, if otherwise qualified, to a preference right to a lease or leases under this act: And provided further, That the Secretary of the Interior may, in his discretion, waive the acreage limitations of said act of February 25, 1920, as amended, as to said lands or deposits,"; and on page 2, after line 13, to insert a new section, as follows:

SEC. 2. That title to the lands in North Dakota purchased for Indian use, the administrative control over which was transferred to the Secretary of the Interior by Executive Order No. 7868 of April 15, 1938, be, and is hereby recognized to be, in the United States, in trust for the Indian tribe or tribes for which the lands were purchased, and such lands shall be subject to lease for mining purposes in accordance with the laws and regulations affecting Indian tribal lands.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to lease lands in the State of North Dakota, title to the minerals under which have been acquired by the United States by purchase under the provisions of the Emergency Relief Appropriation Act, approved April 8, 1935 (49 Stat. 118), as amended, for the development and production of oil, gas, and other minerals under the act of February 25, 1920 (41 Stat. 437), as amended, and regulations thereunder: *Provided, however,* That the Secretary of Agriculture shall first determine that the leasing of such lands or deposits shall not interfere with the purpose for which said lands or deposits were acquired.

SEC. 2. That title to the lands in North Dakota purchased for Indian use, the administrative control over which was transferred to the Secretary of the Interior by Executive Order No. 7868 of April 15, 1938, be, and is hereby recognized to be, in the United States, in trust for the Indian tribe or tribes for which the lands were purchased, and such lands shall be subject to lease for mining purposes in accordance with the laws and regulations affecting Indian tribal lands.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SALE OF PUBLIC LANDS IN IDAHO

The bill (S. 1034) relating to the sale of public lands granted to or vested in the State of Idaho by the act of July 3, 1890, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That so much of section 8 of the act entitled "An act to provide for the admission of the State of Idaho into the Union," approved July 3, 1890, as reads "none of said lands shall be sold for less than \$10 per acre" is amended to read as follows: "none of said lands shall be sold for less than \$5 per acre."

SEC. 2. The last sentence of section 11 of such act is amended to read as follows: "None of the lands granted by this act shall be sold for less than \$5 an acre."

VALIDATION OF CONVEYANCE MADE BY SOUTHERN PACIFIC RAILROAD CO.

The bill (H. R. 2307) validating a certain conveyance, heretofore made by the Southern Pacific Railroad Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way in the town of Indio, in the county of Riverside, State of California, acquired under section 23 of the act of March 3, 1871 (16 Stat. 573), was considered, ordered to a third reading, read the third time, and passed.

TRANSFER TO SECRETARY OF WAR OF CERTAIN LANDS

The bill (H. R. 5287) relating to the transfer to the Secretary of War of certain lands owned by the United States was considered, ordered to a third reading, read the third time, and passed.

JURISDICTION OVER CERTAIN LANDS IN ISLE ROYALE NATIONAL PARK

The bill (S. 2362) relating to the jurisdiction over certain lands in the Isle Royale National Park, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to provide for the addition of certain lands to the Isle Royale National Park, in the State of Michigan, and for other purposes," approved March 6, 1942, is hereby amended by striking out the words "Secretary of the Treasury", wherever they appear in such act, and inserting in lieu thereof the words "Secretary of the Navy."

ADDITION TO PLUMAS NATIONAL PARK, CALIF.

The bill (H. R. 1595) to authorize the addition of certain lands to the Plumas National Forest, Calif., was considered, ordered to a third reading, read the third time, and passed.

KINGS CANYON NATIONAL PARK, CALIF.

The bill (H. R. 69) to authorize the adjustment of land ownership lines within the General Grant grove section of the Kings Canyon National Park, Calif., in order to protect equities established by possession arising in conformity with a certain survey, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

LANDS WITHIN MAMMOTH CAVE NATIONAL PARK, KY.

The bill (H. R. 4676) to accept the cession by the Commonwealth of Kentucky of exclusive jurisdiction over the lands embraced within the Mammoth Cave National Park; to authorize the acquisition of additional lands for the park in accordance with the act of May 25, 1926, (44 Stat. 635); to authorize the acceptance of donations of land for the development of a proper entrance road to the park; and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

ADDITION TO CLEVELAND NATIONAL FOREST, CALIF.

The bill (H. R. 4205) to add to the Cleveland National Forest, Calif., certain contiguous lands of the United States,

which can be most effectively and economically protected and administered as parts of said national forest, was considered, ordered to a third reading, read the third time, and passed.

CHANGE OF NAME OF FORT MARION NATIONAL MONUMENT, FLA.

The bill (H. R. 3937) to change the designation of the Fort Marion National Monument in the State of Florida and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

INTERIOR DEPARTMENT APPROPRIATIONS

The PRESIDING OFFICER. The calendar having been completed, under the order of the Senate, entered at the request of the Senator from Kentucky [Mr. BARKLEY] earlier today, the Chair lays before the Senate House bill 6845, the Department of the Interior appropriation bill.

The Senate proceeded to consider the bill (H. R. 6845) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1943, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

The PRESIDING OFFICER. Under the order previously entered, the bill will go over until tomorrow.

HOUSING FACILITIES FOR WORKERS IN WAR PRODUCTION AREAS (H. DOC. NO. 743)

The PRESIDING OFFICER (Mr. ELLENDER in the chair) laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Education and Labor:

To the Congress of the United States:

From time to time I have indicated to the Congress the need for adequate housing facilities for the workers moving in vast numbers into areas of expanding war production.

This war involves a total national effort and industrial mobilization. Industry cannot effectively mobilize and plants cannot expand with sufficient rapidity unless there are enough houses to bring the worker to the job, keep him on the job, and maintain his efficiency and morale. More than ever before in our history, we need houses to help win the war.

Thus far, Congress has shown a full appreciation of this need, and has made \$1,020,000,000 in appropriations available for the construction of war housing. This figure reduces to its true perspective when we realize that it is less than one percent of the funds made available for war purposes. The allocation of war funds for the shelter of the men and women leaving their homes to serve our war industries is a wise and established national policy.

That policy should continue. War production is now increasing in geometric ratio. Plant capacities are expanding faster and faster. Consistent reports from all over the country indicate a ris-

ing need for housing, running far ahead of the supply and threatening seriously to reduce the effective use of these plants unless remedied at once.

It is clear that the increase in employment in war industries, during the fiscal year 1943, will amount to several million workers. To reduce the amount of new housing required by this expansion, all reasonable recourses are being earnestly pursued. These include conversion of local plants to war purposes, transfers of local workers to war jobs, and drawing upon new sources of local labor supply. While in some cases adequate housing should be provided to keep families together, particularly where there are small children or where the breadwinner cannot afford to maintain two separate living units, there are other cases where workers may find it feasible not to move their families to the locality of their war jobs. It is estimated that the volume of war workers migrating to centers of war activity will be kept down to about 1,600,000 during the fiscal year 1943.

These 1,600,000 war workers need housing. Existing structures are being counted upon to absorb a large portion of them, despite present overcrowding in many industrial areas. Private enterprise is being relied upon to serve a large proportion of the remaining need, and toward this end Federal legislation has recently been enacted. But beyond these methods, there remains the irreducible requirement for a volume of new public construction, largely temporary in nature and designed to serve the lower income brackets of war workers.

The main vehicle for such public housing construction has been the act of October 14, 1940, as amended, known as the Lanham Act. The funds under this act, and under other acts to provide war housing, are practically all committed. They are being relied upon to meet needs arising before the end of the current fiscal year, and also to meet a part of the need for the fiscal year 1943.

To meet the minimum needs of the 1,600,000 war workers migrating to war centers during the fiscal year 1943, I am suggesting to the Congress the enactment of legislation providing an increase of \$600,000,000 in the authorization contained in the Lanham Act, as amended. A large portion of these funds will be returned to the Government in the form of rents during the national emergency and through sales thereafter.

There is, of necessity, a period of several months between the authorization of funds for housing and the completion of living quarters. In view of the urgency of the need, which is a matter of common knowledge, I suggest that this proposed legislation receive the early consideration of the Congress.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 27, 1942.

PAUL A. LARNED—VETO MESSAGE (S. DOC. NO. 208)

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which

was read, and, with the accompanying bill, referred to the Committee on Military Affairs and ordered to be printed:

To the Senate:

I return herewith, without my approval, S. 2202, "An act to reinstate Paul A. Larned, a major, United States Army, retired, to the active list of Regular Army."

The bill would authorize the President to transfer Maj. Paul A. Larned, United States Army, retired, to the active list of the Army in the grade of lieutenant colonel, provided he be found physically qualified for active service in the Regular Army.

Major Larned was retired June 18, 1920, on account of physical disability resulting from valvular heart disease. He was immediately assigned to limited active duty from the date of his retirement until September 1, 1924. He was relieved from duty and remained in a retirement status from September 1, 1924, to November 18, 1941, on which latter date he was again assigned to limited active duty not requiring physical exertion. The first tour of duty, from June 18, 1920, to September 1, 1942, was as an associate professor of military science and tactics at the University of Vermont and State Agricultural College, with the exception of a brief tour of recruiting duty. His present assignment began November 24, 1941, and is with the historical section, Army War College.

Under existing law retired officers are assigned to active duty as retired officers, and may be given temporary promotion when their assignment warrants. The War Department under the existing authority is now fully utilizing the services of retired officers, and many of them who were retired for physical disability are now assigned to active duty in positions where physical disability does not handicap the performance of such duty. It is apparent, therefore, that the proposal to transfer this retired officer to the active list is not predicated on any need of the service.

There are serious objections to this proposed legislation from a standpoint of the good of the military service. Major Larned, who is now 57 years of age, has been separated from active military duties for more than 17 years during which period there have been major military developments, and any improvement in his physical condition can hardly be said to make up for the professional experience he has lost during the many years that he was on the retired list. I find, moreover, little justification for singling out this one retired officer, from among other retired officers in the same category, for restoration to the active list of the Army, and still less justification for the concomitant proposal to advance him to the grade of lieutenant colonel.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 27, 1942.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. ELLENDER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. WALSH, from the Committee on Naval Affairs, submitted the following favorable reports of nominations:

Capt. Charles M. Cooke, Jr., to be a rear admiral in the Navy, for temporary service, to rank from November 29, 1941;

Capt. John W. Reeves, Jr., to be a rear admiral in the Navy, for temporary service, to rank from May 2, 1942; and

Several temporary officers for appointment as officers, and sundry citizens to be second lieutenants, all in the Marine Corps.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

THE NAVY—NOMINATION OF ADOLPHUS ANDREWS

The legislative clerk read the nomination of Adolphus Andrews to be vice admiral, for temporary service.

Mr. DANAHER. Mr. President, a few days ago, when the Navy nominations were called in the Senate, it was asked that they be deferred until the report from the Committee on Naval Affairs concerning the steamship *Normandie* could be available. The interest which was aroused by the tremendous disaster to the *Normandie* extended throughout the country, of course, but particularly did it exist on the eastern seacoast, after some word had reached the public, through the press, to the effect that Admiral Adolphus Andrews was to be put in charge of the eastern seaboard defenses. Many bitter expressions of criticism were voiced as to Admiral Andrews, some taking the turn, to paraphrase, how could he be expected to defend the eastern seaboard against the ravages of submarine attack when he lost the *Normandie* while she was tied up at a dock in East River? That, of course, shows the extremes to which people's minds can go in these fearsome days.

In my opinion, the criticism of Admiral Andrews was unjust. I believe that he was not responsible for the loss of the *Normandie*, and I wished to have available the report of the investigation conducted under the auspices of our own Naval Affairs Committee, acting by direction of the Senate, so that, the report being available, the facts would also be apparent, and thereupon the confirmation of Admiral Andrews could be proceeded with without the slightest injustice to him, or to those who would sustain the nomination and ratify the promotion.

Nonetheless, there are many questions remaining with reference to the *Nor-*

mandie situation. I noticed in last night's New York Evening Sun, for example, an article entitled "*Normandie* an Unrecognizable Mess to Ship News Reporters." In a byline story by Mr. Robert Wilder it is stated:

Responsible authorities have estimated that it will take at least 18 months to prepare the vessel for refloating and another year to clean her up and be ready for the sea.

Eighteen months to prepare the vessel for refloating, and another year thereafter, understand, to clean her up.

A Navy commander took the ship reporters over the hulk of the *Normandie*, and he apparently stated to the press that the estimate submitted by the responsible authorities cited by Mr. Wilder was correct, for Commander Sullivan said that 12 months "was the minimum time the Navy had set and that that would only bring the operations up to where the pumps could go to work."

The article continues:

There has never been a salvage job of such magnitude undertaken before. The *Paris*, another ship of the French Line which caught fire and burned at her pier at Le Havre, was in a similar position but the company abandoned any idea of righting her and she was not half the size of the *Normandie*. Dismissing the technicalities, which are apparently limitless, the broad plan of salvage is to seal the ship up, pump her dry, flood the starboard ballast tanks and roll her back into place.

The question is suggested, of course, as to what possible use can be made of the *Normandie* after the vast expenditure of millions, not to mention the use of materials, and the time of men for a period of some two and a half years, to right the ship and fit her for the sea.

In trying to analyze the possible value of this operation, we are forced to an examination of the hearings, the report of which was submitted by the Committee on Naval Affairs. We find there that the Navy itself, through very considerable investigation, did not know, when they took her over, to what use they were going to devote her. The former captain of the *Normandie* said that she at no time was fit for use as a troop ship, nor could she be so used, and the report to the Senate submitted by the Committee on Naval Affairs indicates that at one time, I believe about the 9th of January 1942, the ship was offered to the Army, which accepted her tentatively, went aboard with naval architects and engineers, but even our Army authorities returned the ship to the Navy at the end of some 3 weeks.

The report makes further point of the fact that the French Line, in the building of the *Normandie*, unlike the British companies producing large trans-Atlantic liners, did not turn her out with a view, or design her with the idea, of her being devoted to war purposes.

Therefore, not only are we put on inquiry as to the future possible use of the ship, and hence the expediency of going into the enormous operation which lies ahead of us, but we also well may question, it seems to me, the decision, and the source of the decision, under which

operations were commenced upon the *Normandie* in December 1941.

Remember, I absolve Admiral Adolphus Andrews entirely from responsibility for her loss. The fact remains, however, that on the night of December 24, 1941, according to the report, he received for the ship and took her over in his capacity as commandant of the Third Naval District. But examination of the Navy Regulations on the point would indicate that the responsibility for the organization and efficient operation of all administrative units within a naval district rests with the officer in direct command of such units.

Reading from article 1482 of the Navy Regulations, section 1, we find:

In the administration of affairs in the district the commandant shall not personally supervise the details of work or administration of the several groups or units, but will transact necessary business with the officer commanding the group or unit. These groups or units will coordinate, and every effort will be made to develop complete intercommunication and cooperation among the several groups and units in regard to all matters requiring joint action.

In the administration of affairs within his district the commandant shall not direct nor shall he be responsible for the technical work being carried on by any of the various organizations, but the head of each administrative unit will keep him informed regarding the general nature and scope of the work carried on, and supply him with all information that will be of value in formulating plans for the coordination of all naval activities within the district.

Mr. President, Admiral Andrews never boarded the *Normandie* at any time while she was tied up at the dock in New York, never inspected her in any way until after the fire had broken out. That is a very singular situation. Certainly it was sufficient to impel the Senate to order an investigation, as we did. Certainly it called for the Senate Naval Affairs Committee to go into the matters with extreme care, and my examination of the report, during the brief time in which it has been available to us, which has been only a couple of hours, indicates that a very real degree of care has been devoted to the preparation of the report.

I read from the report:

The Robins Dry Dock & Repair Co. commenced the work of converting the *LaFayette* from a luxury liner into a troop ship capable of carrying 15,000 or more soldiers, on December 24, 1941. Contrary to Navy regulations and customs, no receipt whereby responsibility for the naval vessel is established was given by the contractors to the Navy Department for this vessel.

At that point I may say that it certainly seems that right at the outset someone should have been in charge, seeing to it that the proper receipt was given, notwithstanding the fact that in the contract, an excerpt from which appears on page 16 of the report, it is provided that the contractor shall exercise the highest possible degree of care to protect the vessel from fire.

In that particular, apparently the contractor did his very best to make adequate protection against the destruction of the vessel by fire. He engaged fire watchers, he engaged inspectors of fire watchers. But the report, significantly, without mention of any name, says that

"The Bureau of Ships"—it defines it merely as "The Bureau of Ships"—ordered the authorities in charge of the vessel's conversion to complete her and have her ready to sail from New York on or about the 14th of February—

notwithstanding the fact that whoever was in charge of giving that order was not acquainted with the conditions aboard the ship, was not acquainted with the obstacles attendant upon the conversion of the ship, and the order was entered over the protest of the captain in charge of the work.

It is interesting to perceive, pursuant to the extraordinary demand from Washington from some unidentified person in the Bureau of Ships that the ship be made ready to sail in the face of what looked like a physical impossibility to prepare her within the time fixed, the contractor sent all over New York and got welders off jobs, hired them from other contractors, put them to work at night, and had more than 200 acetylene welding jobs going on in that vessel at one time.

Obviously, Mr. President, thus pressed by the demands in Washington for haste, the contractor was obliged to get fire watchers from whatever nook and cranny he could find them, and many of them were wholly inexperienced, and had had no training whatever. It is not to be wondered at then, that when, on the day before the fire broke out, someone other than anyone to whom I have previously referred, ordered four steel stanchions cut out of the promenade room, the kapok cushions covered with burlap were in the immediate vicinity where the fire took place. As a matter of fact they were stored in this spot only because no "burning" operations were scheduled there.

According to the story about the fire itself, the burning or cutting by acetylene torches of the four stanchions proceeded without event all during the forenoon of the day of the fire. Three of them were removed entirely and the fourth was cut partly through when within a few minutes prior to the time the fire was discovered an inspector of the Navy passing along a passageway right alongside where the cutting operation was taking place stopped and looked in and saw these acetylene-torch workers surrounded within arm's length by piles of kapok cushions covered with burlap. He asked about the progress of the work, saw that only an inch or so remained to be cut, and he said in effect, "Well, down with the old apple tree," and with some such exclamation from him he passed along. There were so many things that could have been done. And still there was no effort on his part to remove the possible fire hazard so perfectly apparent to anyone who ever saw an acetylene torch in operation.

Aboard also, Mr. President, were at least 200 men of the Coast Guard under command of the Coast Guard officer. Technically, it is said in the report they, when the ship is at a dock, are charged with her safety and protection, but the Coast Guard was not in charge of this job. Whoever inspected the vessel when

the Government took her over found that more than half of the fire extinguishers were unusable. Over the period that the Navy had her she was not adequately connected with the New York City fire hydrants or other sources of water supply. When the fire actually got under way certain of what the report calls the "Scotch boilers" had to be secured. The ship was in darkness. There was no pump working. It was impossible to maintain pressure.

Mr. President, the degree of confusion which prior to the fire existed in the management and control of the ship itself merely prefaced the bewilderment which overtook everyone when the catastrophe was at its height. There was no one there who could even command the curtailing of the supply of water that was pumped into the ship, and long after it was desired that the force of the water, which ultimately capsized the ship, be cut off there seemed to be no one in control with power and authority sufficient to order the water supply cut off.

Mr. President, there is revealed, it seems to me, as we examine that report, a disgraceful state of lack of responsibility for that great ship. I make the statement on the basis of the evidence contained in the report to the Senate submitted to us by the Committee on Naval Affairs, clearly demonstrating irresponsibility, confusion, lack of authority, lack of centralization of control somewhere, in somebody. The disaster reflects the same condition, apparently, that existed at Pearl Harbor, if we are to take the report of Mr. Justice Roberts and his associates.

How many more times must this go on? What are we going to find with reference to Admiral Andrews' control over the eastern seaboard defenses, Mr. President? Is he to be handicapped further in his command of our defenses on the eastern seaboard where, in 5 months, we have already lost more than 200 merchant ships within 50 miles of the American coast, or are we going, somehow, somewhere, to demand that the recommendations of this committee, submitted through its report, be given prompt priority on the legislative calendar to the end that appropriate steps be taken for the adequate protection of the country? In times when decisions are necessary, when someone must make them, there must be control.

I have prefaced our approach to these pending nominations on the Executive Calendar with a discussion of this situation, so that the record would be perfectly clear, not only as to the facts as reported to us but to the background on which up to now I have asked that the nomination of Admiral Andrews go over. Because the report clearly absolves him, because no fair-minded man could hold him personally responsible for the disaster, I wanted not only the facts to appear as a matter of record here but also to reflect the exculpation of Admiral Andrews at the same time.

Mr. President, just the same, I should like to ask the chairman of the Committee on Naval Affairs whether or not it is contemplated that some steps will be taken to carry into effect the recommen-

dations contained in this report? Since I am not on the committee, I should like to know whether or not the Committee on Naval Affairs intends to go further and find out who it was in the Bureau of Ships that was giving such orders as were protested by Captain Simmers, who was on the ship and who knew that the orders could not be executed, and who was sending his objections to his superiors, no doubt with some embarrassment to himself? At all times, so far as the record shows, Captain Simmers was being disregarded by somebody here in Washington.

Who was that? The report is silent. Who was responsible then for that haste, that impetus which led to what ultimately developed to be an act of sheer negligence, out of which this disaster not only arose with reference to the *Normandie* in the past but because of which the Government is going to be put to the expense of millions of dollars in the future?

Finally, it seems to me, Mr. President, that the Committee on Naval Affairs might very properly inquire from somebody in authority as to whether or not it is expedient that the task of restoring the *Normandie* be proceeded with, and whether or not justly we should not propose to get her out of there, which itself is a considerable task. Perhaps we should proceed no further with any attempt to salvage her or recondition her for a service for which she is said to be unsuited and which was so uncertain that the Army turned her back, the Navy once thought they were going to use her for an aircraft carrier, and again that they could use her for a supply ship.

Mr. President, with all the indecision and confusion, so far, upon the record, there is nothing tangible to indicate a future course with reference to her.

Mr. HOLMAN. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. HOLMAN. I am interested to know who issued the order that repairs had to be completed by February 14. From the Senator's statement I understand that the Senator does not know.

Mr. DANAHER. The Senator's understanding is correct. I do not know.

Mr. HOLMAN. Should not that question be persevered in? Someone in that authority must have issued the order.

Mr. DANAHER. The Senator is drawing a conclusion which seems to me not unsupported by the facts and the logic applicable to them. Certainly somebody in authority should know, but the report does not tell who it is. The report gives no indication whatever as to who it was that gave the orders that that ship be prepared in what Captain Simmers said was an incredibly short and inadequate period. So I am unable to answer the Senator. But certainly the man who was there on the job and most familiar with it, it seems to me, should have been regarded. But he was not.

Mr. President, I think I have said enough to indicate the thoughts which have pervaded my mind ever since Admiral Andrews' nomination came before us. We will not soon forget the *Nor-*

mandie. Equally, I hope, that from her loss we can draw a lesson, and that someone downtown can be found and perhaps ultimately named by the Committee on Naval Affairs upon whom the responsibility for this matter should be caused to rest, to the end that we may have a proper measure of such people now in command.

Mr. WALSH. Mr. President, I am gratified to note that the Senator from Connecticut, after studying with his usual diligence the report of the committee, exonerates Admiral Andrews from any responsibility in connection with the *Normandie* disaster. Three boards of inquiry have examined into it, the Naval Board of Inquiry, the Committee on Naval Affairs of the House, and, by order of the Senate, the Naval Affairs Committee of the Senate. All three agreed that Admiral Andrews can be in no way held responsible for the disaster. I repeat, every committee and every person investigating the reports of the tribunals which have conducted investigations find nothing to associate responsibility upon the part of Admiral Andrews. That is the only issue before the Senate.

I should like, for the sake of the record, however, to read from Admiral Andrews' own testimony, which is not disputed, in reference to his connection with this matter:

There are no regulations regarding the duties or responsibilities of a district commandant pertaining to naval vessels out of commission berthed within the geographical limits of the district. Such a vessel, without crew and out of commission, normally would be sent to the navy yard where she would be under the responsibility of the commandant of the navy yard, or sent to a private shipyard where she would be under the responsibility of the shipyard. In the case of the *Lafayette* I considered pier 88 as an extension of the Robins Drydock & Repair Co. shipyard.

The Navy regulations require that: "In the administration of affairs in the district the commandant shall not personally supervise the details of work or administration of the several groups or units, but will transact necessary business with the officer commanding the group or unit."

Further:

"In the administration of affairs within his district the commandant shall not direct nor shall he be responsible for the technical work being carried on by any of the various organizations, but the head of each administrative unit will keep him informed regarding the general nature and scope of the work carried on, and supply him with all information that will be of value in formulating plans (1) for the coordination of all naval activities within the district and (2) for the operation and defense of the district in the event of war.

"Communications relating entirely to the technical work of any of the establishments referred to in the above paragraphs shall be carried on direct with the bureau or station concerned."

And to further quote Navy regulations:

"The district shall be organized into units or groups according to the character of their activities and situation, each group or unit under the command of an officer responsible for all activities within the group or unit."

The Third Naval District has been organized and has been administered in accordance with these regulations. Under the commandant there is assigned a district matériel

officer, Capt. C. M. Simmers, United States Navy, with the following duties:

"(1) The district matériel officer inspects, supervises, and coordinates all matériel activities within the district not assigned to the district supply officer or to the district public works officer, including all activities connected with conversion and repair of ships, and all operations within the district."

By reason of this tremendous work load it was found necessary for the Bureau of Ships—

Not referring to the work load of his position—

To handle contracts and repair work on ships other than at Brooklyn Navy Yard, direct to Captain Simmers, and to keep in constant communication with him—

He was the matériel officer in charge of the ship—

Practically the same as is done with the commandant of the Brooklyn Navy Yard.

Note this:

All correspondence having to do with conversion and repair of ships, contracts, and so forth, was handled directly between Bureau of Ships and Captain Simmers. Daily conversations and orders were issued to him by Bureau of Ships over the telephone.

Again:

Captain Simmers' organization operated in practically the same independent way that the navy yard operates direct with the Navy Department. I considered that the responsibility of this unit and the operation of same rested with the matériel officer in charge of this unit under direct orders from Bureau of Ships.

On December 23, Chief of Bureau of Ships addressed a letter to commandant, Third Naval District, which letter went direct to district matériel officer, on the subject of the conversion of the *Normandie*. Paragraph 1 stated:

"Confirming telephone conversation of December 23, 1941, when the S. S. *Normandie* has been taken over in accordance with authorization received from CNO, you are hereby authorized to convert her to a troop transport in accordance with details of instruction to be dispatched to the district matériel officer."

I might continue quotations from the various reports, all leading to the same conclusion, which conclusion I assume the Senate will accept, that Admiral Andrews is not in any way chargeable with responsibility for this disaster.

The Senator from Connecticut has very properly discussed certain features of the report made by the Naval Affairs Committee, and I note that much he has approvingly quoted from the report consists of comments and criticisms made by the committee. In due time the report will be before the Senate for discussion and consideration of the legislative proposals and recommendations.

The conclusion which I have reached, and which is embodied in the report, is that the disaster to the *Normandie* was due largely—perhaps primarily—to the desire to speed up as quickly as possible the repair job on that ship in order to make it ready to transport troops. Who can question that? Who can criticize, in the midst of a war, when we are short of ships of every kind and character, a

driving, pushing, force to have the ships repaired and be put on the seas? Our committee had to consider the natural tendency and desire of the Government to repair ships as quickly as possible and place them into commission so as to transport our troops to places where they are needed. I, for one, have felt that in considering the disaster to the *Normandie* and the possible criticism, we should bear in mind the force, the desire, and the compelling need of repairing vessels as quickly as possible. I think the Bureau of Ships went too far. It insisted that the ship be ready by a certain time to take troops to one of the war zones. It did so over the protest of the matériel officer.

Mr. DANAHER rose.

Mr. WALSH. Mr. President, I do not want to spend time discussing the report, because I assume it must be gone over again. I merely wished to say a brief word about the report.

The matériel officer protested. The result was that with the desire to speed up a tremendous number of employees were put on the ship. I think the number was 2,400. The whole city of New York was canvassed to find workers in different trades—good, bad, and indifferent—to work on the ship for the purpose of putting it in condition to sail the seas. That resulted in carelessness in the use of the torch in the presence of combustible material, which finally led to the fire.

That is the whole story. The Navy Department itself, in its own report, has found Lieutenant Commander Scott, the representative of the District Matériel Officer on board the vessel and the Officer in Charge of the Coast Guard Detail on the ship had some responsibility, and the Department has deferred taking action in the cases of those officers until later, but it admits that there was a responsibility which should be looked into further and considered at greater length.

Mr. President, there is much more I could say, but it is unnecessary for me to do so. We shall have an opportunity to discuss the report later, and I do not want now to go into it in detail.

The issue is, Is Admiral Andrews responsible, and should he be denied the promotion for which he has been nominated? I see no responsibility on his part. I repeat, the slate is clean, and there is nothing whatever in the record as a basis for charging Admiral Andrews with responsibility.

Mr. CONNALLY. Mr. President, I am very much gratified to hear the remarks of the Senator from Connecticut in which he absolves Admiral Andrews of any culpability because of the sinking of the *Normandie*; and, of course, I am immensely pleased that the chairman of the Naval Affairs Committee, after a thorough and a most painstaking investigation, has come to the same conclusion.

I have known Admiral Andrews for many years. I recall when he was appointed to the Naval Academy as a cadet. He has had a long and distinguished career in the Navy. He has had a tour of duty in Washington. I am sure many Senators knew him personally when he was here. It is immensely pleasing to his friends and to all who know him to

have his record absolutely cleared of any stain whatever with respect to the *Normandie* disaster.

I am sure all Senators will realize that men in high and responsible positions such as he occupied cannot personally supervise and know about every activity proceeding under their command. I am sure that he took every reasonable precaution and every wise step toward conserving the property which was within his care, and toward carrying out the duties which pertained to his high and responsible position. I know him intimately, and I wish to express my great sense of satisfaction that the three investigations which have been made of this incident all wholly and thoroughly acquit him of any blame whatever with respect to the unfortunate incident of the sinking of the *Normandie*.

I do not care to discuss the larger question about what shall be done with the *Normandie*. I assume we shall take up that question when the report of the committee comes before the Senate.

Mr. WALSH. That is correct.

Mr. DANAHER. Mr. President, the Senator from Massachusetts asked who can criticize the provisional conversion of the *Normandie* into a troop ship. Left even by implication that rhetorical question be applied to me, I will answer specifically that the committee criticizes on that ground.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WALSH. If I remember correctly, I asked who can criticize the urge, the push, and the drive to have the ship repaired so as to put it in use in time of war?

Mr. DANAHER. I thank the Senator for that observation. With that limitation in the exact use of his words I concur.

Mr. WALSH. I had no intention of referring to the Senator.

Mr. DANAHER. I do not think the Senator did. I will not let the record stand with any possibility of it.

Let me say to the Senator from Massachusetts that on page 5 of the report of the Senate Committee on Naval Affairs we find this statement:

The committee finds with further regard to the capsizing that the acquisition of this French luxury liner *Normandie* by the United States Government for ultimate conversion into a troop ship evidently was done without making an adequate study and survey to determine just what practical use the vessel might serve in our war effort. There is prima facie evidence to give rise to the thought that the ship's construction, lack of compartmentation, and known instability made it inadvisable to use the vessel for a transport upon which the lives and safety of 15,000 American boys on any voyage were dependent. Obviously, the Navy Department entertained some doubts on this point, as evidenced by the fact that first plans called for the use of the ship as an airplane carrier, then a boxed-plane cargo ship, and finally a troop ship. The capsizing of the vessel under the weight of trapped water confirms the belief that many men in the shipping business have held with regard to this vessel's stability.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WALSH. That does not refer to the fire.

Mr. DANAHER. No.

Mr. WALSH. That refers to the judgment of the Navy Department originally in purchasing the *Normandie* and trying to convert it for troop-carrying purposes.

Mr. DANAHER. That is correct.

Mr. WALSH. On that question there is a substantial difference of opinion. In my opinion, as the report shows, there is a serious doubt whether it ever was suitable for troop-transporting purposes; but there is a difference of opinion about it, and the committee felt that that fact ought to be recalled for guidance in the future in whatever use might be made of the ship.

Mr. DANAHER. I thank the Senator. Let me read from page 20 of the report, in the summary of conclusions drawn by the committee from the facts developed in the several investigations:

3. The work was unduly accelerated through decisions made by the United States Navy Bureau of Ships in Washington by persons in authority who were not on the scene, who had no personal knowledge of the work entailed, yet placed unreasonable time limitations on those charged with the actual burden of doing the work—and in the face of advice to the contrary by subordinate Navy officers who were on the scene and fully acquainted with the difficulties involved.

Somewhere we have heard of those who have "a passion for anonymity." The anonymous persons who are in the background of conclusion 3, stated on page 20 of the committee report, may perhaps yield some cogent, tangible evidence as to where the real responsibility lies. I believe we should fix it.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Adolphus Andrews to be vice admiral, for temporary service? Without objection, the nomination is confirmed.

JOHN W. GREENSLADE

The legislative clerk read the nomination of John W. Greenslade to be vice admiral, for temporary service, to rank from May 1, 1942, and to continue during his assignment as commander, western sea frontier.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

ROBERT H. ENGLISH

The legislative clerk read the nomination of Robert H. English to be rear admiral, for temporary service, to rank from May 8, 1942.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DONALD B. BEARY

The legislative clerk read the nomination of Donald B. Beary to be rear admiral, for temporary service, to rank from December 1, 1941.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

REGISTERS OF LAND OFFICES

The legislative clerk proceeded to read sundry nominations of registers of land offices.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

The PRESIDING OFFICER. Without objection, the Army nominations are confirmed en bloc.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

The PRESIDING OFFICER. Without objection, the Navy nominations are confirmed en bloc.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

EXTRADITION TREATY BETWEEN THE UNITED STATES AND CANADA

Mr. GEORGE. Mr. President, I ask unanimous consent for the present consideration of Executive C, an extradition treaty between the United States and Canada, signed at Washington, D. C., April 29, 1942.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the treaty, Executive C (77th Cong., 2d sess.), an extradition treaty between the United States of America and Canada, signed at Washington on April 29, 1942, which was read the second time as follows:

The President of the United States of America; and

His Majesty the King of Great Britain, Ireland and the British dominions beyond the Seas, Emperor of India, in respect of Canada,

Desiring to promote the cause of justice, have resolved to conclude a treaty for the extradition of fugitives from justice between the two countries and have named for that purpose as their respective plenipotentiaries:

The President of the United States of America;

Mr. Cordell Hull, Secretary of State of the United States of America; and

His Majesty the King of Great Britain, Ireland, and the British dominions beyond the Seas, Emperor of India, for Canada;

Mr. Leighton McCarthy, K. C., Envoy Extraordinary and Minister Plenipotentiary of Canada at Washington;

Who, having communicated to each other their full powers, found in good and due form, have agreed as follows:

ARTICLE I

The high contracting parties engage to deliver up to each other, under the circumstances and conditions stated in the present treaty, those persons who, being accused or convicted of any of the crimes or offenses enumerated in article III, committed within the territory of the one party, shall be found within the territory of the other party.

ARTICLE II

For the purposes of the present treaty:

(a) the territory of Canada shall be deemed to be all territory wherever situated under its exclusive administration and control;

(b) the territory of the United States of America shall be deemed to be all territory wherever situated belonging to the United States of America including its dependencies and all other territories under its exclusive administration or control;

(c) the word "territory" shall be deemed to include territorial waters, merchant vessels on and aircraft over the high seas, and men of war wherever situated;

(d) "requesting country" shall be deemed to mean that country on behalf of which a competent authority requests the surrender of an accused or convicted person;

(e) "requested country" shall be deemed to mean that country from which the surrender of an accused or convicted person is requested by a competent authority of the other country.

ARTICLE III

Extradition shall be reciprocally granted for the following crimes or offenses:

1. Murder (including crimes designated by the terms assassination, parricide, poisoning, and infanticide); manslaughter.

2. Malicious wounding; inflicting grievous bodily harm.

3. Rape, abortion, carnal knowledge of children under the age of 16 years; indecent assault or incest provided such crime or offense is punishable by the laws of both countries.

4. Procurement; abduction, or detention of women or girls for immoral purposes.

5. Bigamy.

6. Arson.

7. Wilful and unlawful destruction or obstruction of railroads, highways, docks, channels, beacons and buoys, airdromes, and other transportation facilities.

8. Crimes committed on the high seas, in the territorial seas or inland waters as follows:

(a) Piracy, as commonly known and defined by the law of nations, or by statutes;

(b) Wrongfully sinking or destroying a vessel or attempting to do so;

(c) Mutiny or conspiracy by two or more members of the crew or other persons on board of a vessel, for the purpose of rebelling against the authority of the captain or commander of such vessel, or by fraud or violence taking possession of such vessel;

(d) Assault on board ship with intent to do bodily harm.

9. Burglary, shop-breaking, and house-breaking.

10. The act of breaking into and entering the offices of government and public authorities, or any buildings not dwellings with intent to commit a crime or offense therein.

11. Robbery.

12. Forgery or uttering what is forged.

13. The forgery or falsification of the official documents or acts of the government or public authority, including courts of justice, or the uttering or fraudulent use of any of the same.

14. The fabrication of counterfeit money, whether coin or paper, counterfeit titles or coupons of public debt, created by national, state, provincial, territorial, local or municipal governments, bank notes or other instruments of public credit, counterfeit seals, stamps, dies and marks of state or public administrations, and the utterance, circulation or fraudulent use of the above-mentioned objects; knowingly and without lawful authority making or having in possession any instrument, tool or engine adapted and intended for the counterfeiting of any of the above-mentioned objects.

15. Embezzlement.

16. Kidnapping or false imprisonment of minors or adults.

17. Larceny or theft.

18. Obtaining any property, including money or valuable securities, by false pretenses, or receiving any property, including money or valuable securities, knowing the same to have been unlawfully obtained.

19. Perjury or subornation of perjury.

20. Fraud, or breach of trust by a bailee, banker, agent, factor, trustee, executor, administrator, guardian, or by a director or officer of any company or corporation, or by any one in any fiduciary position; fraudulent conversion.

21. Crimes and offenses against the laws for the suppression of slavery and slave trading.

22. Wilful desertion or wilful non-support of minor or dependent children.

23. Bribery, defined to be the offering, giving or receiving of bribes.

24. Crimes or offenses against the bankruptcy laws.

25. Crimes or offenses against the laws for the suppression of traffic in narcotics.

26. Using the mails to defraud.

27. Extortion, or threats with intent to extort money or other things of value.

28. Malicious injury to property.

29. Use of explosives so as to endanger human life or property.

30. Smuggling, defined to be the act of wilfully and knowingly violating the customs laws.

31. Crimes or offenses against the laws for the prevention of fraud in the sale or purchase of securities.

32. Crimes or offenses, if indictable, against the laws regulating

(a) public securities markets, or activities affecting such markets;

(b) registration or licensing of securities or of persons or companies doing business in securities, or giving advice with respect thereto;

(c) investment or public utility companies.

33. Extradition shall also take place for participation or conspiracy in any of the crimes or offenses before mentioned or in any attempt to commit any of such crimes or offenses.

ARTICLE IV

An accused person shall not be surrendered if the crime or offense for which his surrender is requested is one of a political character, or if he proves that the requisition for his surrender has, in fact, been made with a view to try to punish him for a crime or offense of a political character, provided that in no case shall murder, assassination or poisoning, either consummated or attempted, be deemed a crime or offense of a political character.

ARTICLE V

An accused person shall not be surrendered under the provisions hereof, when, from lapse of time or other lawful cause according to the laws of the requesting country, he is exempt from prosecution or punishment for the crime or offense for which the surrender is asked.

ARTICLE VI

Extradition shall not take place if the person claimed has already been tried and discharged or punished, or is being punished, or is still under trial in the territories of the requested country, for the crime or offense for which his extradition is requested.

If the accused person be actually under prosecution, out on bail or in custody, for a crime or offense committed in the requested country, or shall have been convicted thereof, his extradition may be deferred until such proceedings be ended, and until he shall have been set at liberty in due course of law.

ARTICLE VII

No person shall be tried for any crime or offense committed prior to his extradition, other than that for which he was surrendered, unless for one month after trial or, in case of

conviction, for one month after having suffered his punishment, or having been pardoned, he has been at liberty to leave the country.

ARTICLE VIII

The arrest and extradition of persons under the provisions of this treaty shall be carried out in the United States of America and in Canada, respectively, in conformity with the laws regulating extradition for the time being in force in the requested country.

Pertinent statutes of the requesting country shall be regarded as sufficiently proved for the purposes of extradition if they are certified by a principal law officer of such country or a sub-division thereof.

Requisition for the surrender of accused persons shall be made by the diplomatic agent of the requesting country. In the event of the absence of such agent from the country, requisition may be made by a consular officer.

ARTICLE IX

Extradition shall take place if the evidence be found sufficient to justify committal for trial for a crime or offense against the laws of the requesting country. In determining the sufficiency of such evidence, the courts of the requested country may apply the laws of the requested country with regard to the sufficiency of evidence to justify committal for trial in criminal causes. It shall not be essential to produce evidence sufficient to convict the accused person of the crime or offense charged were he placed on trial therefor, and it shall not be essential to establish that the crime or offense would be a crime or offense under the laws of the requested country.

If the person claimed shall have been convicted of the crime or offense for which his surrender is asked, it shall be sufficient to prove that he is the identical person so convicted in the courts of the requesting country and to produce a duly authenticated copy of the sentence of the court before which such conviction took place.

ARTICLE X

If the person claimed by one of the high contracting parties pursuant to the stipulations of this treaty shall also be claimed by one or more other countries on account of crimes or offenses committed within their jurisdiction, such person shall be delivered to that country whose claim is first received unless such claim is waived.

ARTICLE XI

Either Government may ask for the provisional apprehension and detention of a person, if it indicates at the same time its intention to request his extradition. During the period of provisional arrest of a person, whether pursuant to a formal request or otherwise, for the purpose of extradition hereunder, the legal officers of the requested country shall oppose the release on bail of such accused or convicted person, except in cases in which the denial of bail would, in their opinion, cause injustice.

Any fugitive provisionally arrested shall be released unless within two months from the date of arrest, or within such further time as a proper authority of the requested country shall direct, the formal requisition for surrender is made by the appropriate representative of the requesting country and within that time the documentary proofs in support of the requisition are produced before the appropriate judge or magistrate.

If, at any time prior to committal for trial, the accused or convicted person shall signify his willingness to return to the requesting country he shall, subject to the consent of the competent authorities of the requested country, be delivered to the proper officials of the requesting country for return thereto.

ARTICLE XII

All articles which were in the possession of the person to be surrendered at the time of

his apprehension, and any articles that may serve as a proof of the crime or offense, shall be given up when the extradition takes place, in so far as this may be permitted by the law of the requested country.

ARTICLE XIII

All expenses connected with the extradition shall be borne by the requesting country. However, the appropriate legal officers of the requested country where the proceedings of extradition are had, shall, consistently with the discharge of their duties and without charge, cooperate with the officers of the requesting country before the respective judges and magistrates.

ARTICLE XIV

The present treaty shall be ratified by the high contracting parties in accordance with their respective constitutional methods and shall take effect ten days after the exchange of ratifications which shall take place at Washington as soon as possible.

The present treaty shall remain in force for a period of five years and in case neither of the high contracting parties shall have given notice one year before the expiration of that period of his intention to terminate the treaty, it shall continue in force until the expiration of one year from the date on which such notice of termination shall be given by either of the high contracting parties.

On the coming into force of the present treaty it shall supersede all other existing provisions of treaties and conventions relating to extradition between the United States of America and Canada.

IN WITNESS WHEREOF the above-named plenipotentiaries have signed the present treaty and have hereunto affixed their seals.

DONE in duplicate at Washington this twenty-ninth day of April, 1942.

CORDELL HULL [SEAL]
LEIGHTON MCCARTHY [SEAL]

The PRESIDING OFFICER. The treaty is open to amendment. If there be no amendment to be proposed, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive C, Seventy-seventh Congress, second session, an extradition treaty between the United States of America and Canada signed at Washington on April 29, 1942.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the treaty is ratified.

TAXATION CONVENTION WITH CANADA

Mr. GEORGE. Mr. President, I ask unanimous consent for the present consideration of Executive B, a taxation convention with Canada.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the convention, Executive B, Seventy-seventh Congress, second session, a convention between the United States of America and Canada providing for avoidance of double income taxation, modification of certain conflicting principles of taxation, reductions of certain rates of taxation, and establishment of

exchange of information between the United States and Canada in the field of income taxation, signed at Washington on March 4, 1942, which was read the second time, as follows:

The Government of the United States of America and the Government of Canada, being desirous of further promoting the flow of commerce between the two countries, of avoiding double taxation and of preventing fiscal evasion in the case of income taxes, have decided to conclude a Convention and for that purpose have appointed as their Plenipotentiaries:

Mr. Sumner Welles, Acting Secretary of State of the United States of America; and Mr. Leighton McCarthy, K. C., Envoy Extraordinary and Minister Plenipotentiary of Canada at Washington;

who, having communicated to one another their full powers found in good and due form, have agreed upon the following Articles:

ARTICLE I

An enterprise of one of the contracting States is not subject to taxation by the other contracting State in respect of its industrial and commercial profits except in respect of such profits allocable in accordance with the Articles of this Convention to its permanent establishment in the latter State.

No account shall be taken in determining the tax on one of the contracting States, of the mere purchase of merchandise effected therein by an enterprise of the other State.

ARTICLE II

For the purposes of this Convention, the term "industrial and commercial profits" shall not include income in the form of rentals and royalties, interest, dividends, management charges, or gains derived from the sale or exchange of capital assets.

Subject to the provisions of this Convention such items of income shall be taxed separately or together with industrial and commercial profits in accordance with the laws of the contracting States.

ARTICLE III

1. If an enterprise of one of the contracting States has a permanent establishment in the other State, there shall be attributed to such permanent establishment the net industrial and commercial profit which it might be expected to derive if it were an independent enterprise engaged in the same or similar activities under the same or similar conditions. Such net profit will, in principle, be determined on the basis of the separate accounts pertaining to such establishment.

2. The competent authority of the taxing State may, when necessary, in execution of paragraph 1 of this Article, rectify the accounts produced, notably to correct errors and omissions or to reestablish the prices or remunerations entered in the books at the value which would prevail between independent persons dealing at arm's length.

3. If (a) an establishment does not produce an accounting showing its own operations, or (b) the accounting produced does not correspond to the normal usages of the trade in the country where the establishment is situated, or (c) the rectifications provided for in paragraph 2 of this Article cannot be effected the competent authority of the taxing State may determine the net industrial and commercial profit by applying such methods or formulae to the operations of the establishment as may be fair and reasonable.

4. To facilitate the determination of industrial and commercial profits allocable to the permanent establishment, the competent authorities of the contracting States may consult together with a view to the adoption of uniform rules of allocation of such profits.

ARTICLE IV

1. (a) When a United States enterprise, by reason of its participation in the manage-

ment or capital of a Canadian enterprise, makes or imposes on the latter, in their commercial or financial relations, conditions different from those which would be made with an independent enterprise, any profits which should normally have appeared in the balance sheet of the Canadian enterprise but which have been, in this manner, diverted to the United States enterprise, may be incorporated in the taxable profits of the Canadian enterprise, subject to applicable measures of appeal.

(b) In order to effect the inclusion of such profits in the taxable profits of the Canadian enterprise, the competent authority of Canada may, when necessary, rectify the accounts of the Canadian enterprise, notably to correct errors and omissions or to reestablish the prices or remuneration entered in the books at the values which would prevail between independent persons dealing at arm's length. To facilitate such rectification the competent authorities of the contracting States may consult together with a view to such determination of profits of the Canadian enterprise as may appear fair and reasonable.

2. The same principle applies, *mutatis mutandis*, in the event that profits are diverted from a United States enterprise to a Canadian enterprise.

ARTICLE V

Income which an enterprise of one of the contracting States derives from the operation of ships or aircraft registered in that State shall be exempt from taxation in the other contracting State.

The present Convention will not be deemed to affect the exchange of notes between the United States of America and Canada, dated August 2 and September 17, 1928, providing for relief from double income taxation on shipping profits.

ARTICLE VI

Wages, salaries and similar compensation paid by the Government, or any agency or instrumentality thereof, of one of the contracting States or by the political subdivisions or territories or possessions thereof to citizens of such State residing in the other State shall be exempt from taxation in the latter State.

Pensions and life annuities derived from within one of the contracting States and paid to individuals residing in the other contracting State shall be exempt from taxation in the former State.

ARTICLE VII

1. A resident of Canada shall be exempt from United States income tax upon compensation for labor or personal services performed within the United States of America if he conforms to either of the following conditions:

(a) He is temporarily present within the United States of America for a period or periods not exceeding a total of one hundred and eighty-three days during the taxable year and such compensation (A) is received for labor or personal services performed as an employee of, or under contract with, a resident or corporation or other entity of Canada and (B) does not exceed \$5,000 in the aggregate during such taxable year; or

(b) he is temporarily present in the United States of America for a period or periods not exceeding a total of ninety days during the taxable year and the compensation received for such services does not exceed \$1,500 in the aggregate during such taxable year.

2. The provisions of paragraph 1 (a) of this Article shall have no application to the professional earnings of such individuals as actors, artists, musicians and professional athletes.

3. The provisions of paragraphs 1 and 2 of this Article shall apply, *mutatis mutandis*,

to a resident of the United States of America deriving compensation for personal services performed within Canada.

ARTICLE VIII

Gains derived in one of the contracting States from the sale or exchange of capital assets by a resident or a corporation or other entity of the other contracting State shall be exempt from taxation in the former State, provided such resident or corporation or other entity has no permanent establishment in the former State.

ARTICLE IX

Students or business apprentices from one of the contracting States residing in the other contracting State for purposes of study or for acquiring business experience shall not be taxable by the latter State in respect of remittances received by them from within the former State for the purposes of their maintenance or studies.

ARTICLE X

Income derived from sources within one of the contracting States by a religious, scientific, literary, educational, or charitable organization of the other contracting State shall be exempt from taxation in the State from which the income is derived if, within the meaning of the laws of both contracting States, such organization would have been exempt from income tax.

ARTICLE XI

1. The rate of income tax imposed by one of the contracting States in respect of income derived from sources therein, upon individuals residing in, or corporations organized under the laws of, the other contracting State, and not engaged in trade or business in the former State and having no office or place of business therein, shall not exceed fifteen per cent for each taxable year.

2. Notwithstanding the provisions of paragraph 1 of this Article, income tax in excess of five per cent shall not be imposed by one of the contracting States in respect of dividends paid by a subsidiary corporation organized under the laws of such State, or of a political subdivision thereof, to a parent corporation organized under the laws of the other contracting State, or of a political subdivision thereof: Provided, however, That this paragraph shall not apply if the competent authority in the former State is satisfied that the corporate relationship between the two corporations has been arranged or is maintained primarily with the intention of taking advantage of this paragraph.

3. Notwithstanding the provisions of Article XXII of this Convention, paragraph 1 or paragraph 2, or both, of this Article, may be terminated without notice on or after the termination of the three-year period beginning with the effective date of this Convention by either of the contracting States imposing a rate of income tax in excess of the rate of 15 percent prescribed in paragraph 1 or in excess of the rate of 5 percent prescribed in paragraph 2.

4. The provisions of this Article shall not be construed so as to contravene the Tax Convention between the United States of America and Canada, effective January 1, 1936, to April 29, 1941.

ARTICLE XII

Dividends and interest paid on or after the effective date of this Convention by a corporation organized under the laws of Canada to individual residents of Canada, other than citizens of the United States of America, or to corporations organized under the laws of Canada shall be exempt from all income taxes imposed by the United States of America.

ARTICLE XIII

Corporations organized under the laws of Canada, more than 50 percent of the out-

standing voting stock of which is owned directly or indirectly throughout the last half of the taxable year by individual residents of Canada, other than citizens of the United States of America, shall be exempt from any taxes imposed by the United States of America with respect to accumulated or undistributed earnings, profits, income, or surplus of such corporations. With respect to corporations organized under the laws of Canada not exempt from such taxes under the provisions of this Article the competent authorities of the two contracting States will consult together.

ARTICLE XIV

1. (a) The United States income tax liability for any taxable year beginning prior to January 1, 1936, of any individual resident of Canada, other than a citizen of the United States of America, or of any corporation organized under the laws of Canada, remaining unpaid as of the date of signature of this Convention may be adjusted on a basis satisfactory to the Commissioner: Provided, That the amount to be paid in settlement of such liability shall not exceed the amount of the liability which would have been determined if—

(A) the Revenue Act of 1936 as modified by the Tax Convention between the United States of America and Canada, effective January 1, 1936, to April 29, 1941 (except in the case of a corporation organized under the laws of Canada more than 50 percent of the outstanding voting stock of which was owned directly or indirectly throughout the last half of the taxable year by citizens or residents of the United States of America) and

(B) Articles XII and XIII of this Convention had been in effect for such year.

If the taxpayer was not, within the meaning of the Revenue Act of 1936, engaged in trade or business within the United States of America and had no office or place of business therein during the taxable year, the amount of interest and penalties shall not exceed 50 percent of the amount of the tax with respect to which such interest and penalties have been computed.

(b) The United States income tax liability remaining unpaid as of the date of signature of this Convention for any taxable year beginning after December 31, 1935 and prior to January 1, 1941, in the case of any individual resident of Canada, other than a citizen of the United States of America, or in the case of any corporation organized under the laws of Canada shall be determined as if the provisions of Articles XII and XIII of this Convention had been in effect for such year.

2. The provisions of paragraph 1 of this Article shall not apply—

(a) Unless the taxpayer files with the Commissioner within two years from the date of signature of this Convention a request that such tax liability be so adjusted together with such information as the Commissioner may require;

(b) In any case in which the Commissioner is satisfied that any deficiency in tax is due to fraud with intent to evade the tax.

ARTICLE XV

In accordance with the provisions of Section 8 of the Income War Tax Act as in effect on the day of the entry into force of this Convention, Canada agrees to allow as a deduction from the Dominion income and excess profits taxes on any income which was derived from sources within the United States of America and was there taxed, the appropriate amount of such taxes paid to the United States of America.

In accordance with the provisions of Section 131 of the United States Internal Revenue Code as in effect on the day of the entry into force of this Convention, the United States of America agrees to allow as a deduction from the income and excess profits taxes

imposed by the United States of America the appropriate amount of such taxes paid to Canada.

ARTICLE XVI

Where a taxpayer shows proof that the action of the revenue authorities of the contracting States has resulted in double taxation in his case in respect of any of the taxes to which the present Convention relates, he shall be entitled to lodge a claim with the State of which he is a citizen or resident or, if the taxpayer is a corporation or other entity, with the State in which it was created or organized. If the claim should be deemed worthy of consideration, the competent authority of such State may consult with the competent authority of the other State to determine whether the double taxation in question may be avoided in accordance with the terms of this Convention.

ARTICLE XVII

Notwithstanding any other provision of this Convention, the United States of America in determining the income and excess profits taxes, including all surtaxes, of its citizens or residents or corporations, may include in the basis upon which such taxes are imposed all items of income taxable under the revenue laws of the United States of America as though this Convention had not come into effect.

ARTICLE XVIII

The competent authorities of the two contracting States may prescribe regulations to carry into effect the present Convention within the respective States and rules with respect to the exchange of information.

The competent authorities of the two contracting States may communicate with each other directly for the purpose of giving effect to the provisions of the present Convention.

ARTICLE XIX

With a view to the prevention of fiscal evasion, each of the contracting States undertakes to furnish to the other contracting State, as provided in the succeeding Articles of this Convention, the information which its competent authorities have at their disposal or are in a position to obtain under its revenue laws in so far as such information may be of use to the authorities of the other contracting State in the assessment of the taxes to which this Convention relates.

The information to be furnished under the first paragraph of this Article, whether in the ordinary course or on request, may be exchanged directly between the competent authorities of the two contracting States.

ARTICLE XX

1. The competent authorities of the United States of America shall forward to the competent authorities of Canada as soon as practicable after the close of each calendar year the following information relating to such calendar year:

The names and addresses of all persons whose addresses are within Canada and who derive from sources within the United States of America dividends, interest, rents, royalties, salaries, wages, pensions, annuities, or other fixed or determinable annual or periodical profits and income, showing the amount of such profits and income in the case of each addressee.

2. The competent authorities of Canada shall forward to the competent authorities of the United States of America as soon as practicable after the close of each calendar year the following information relating to such calendar year:

(a) The names and addresses of all persons whose addresses are within the United States of America and who derive from sources within Canada dividends, interest, rents, royalties, salaries, wages, pensions, or other fixed or determinable annual or periodical profits and income, showing the amount of

such profits and income in the case of each addressee.

(b) The names and addresses of all persons whose addresses are outside of Canada and who derive through a nominee, or agent, or custodian in Canada income from sources within the United States of America, and who are not entitled to the reduced rate at 15 percent with respect to such income provided in Article XI of this Convention, showing the amount of such income in the case of each addressee.

(c) The names and addresses, where available, of persons whose addresses are outside of Canada and who derive dividends during the calendar year from corporations organized under the laws of Canada, more than 50 percent of the gross income of which is derived from sources within the United States of America, showing the amount of such dividends in each case.

(d) The names and addresses of all persons whose addresses are within the United States of America and who beneficially or of record own stocks or bonds, debentures or other securities, or evidences of funded indebtedness, of any company taxed in Canada as a Non-Resident-Owned Investment Corporation. The term "Non-Resident-Owned Investment Corporation" shall have the same meaning as when used in the Income War Tax Act of Canada.

ARTICLE XXI

1. If the Minister in the determination of the income tax liability of any person under any of the revenue laws of Canada deems it necessary to secure the cooperation of the Commissioner, the Commissioner may, upon request, furnish the Minister such information bearing upon the matter as the Commissioner is entitled to obtain under the revenue laws of the United States of America.

2. If the Commissioner in the determination of the income tax liability of any person under any of the revenue laws of the United States of America deems it necessary to secure the cooperation of the Minister, the Minister may, upon request, furnish the Commissioner such information bearing upon the matter as the Minister is entitled to obtain under the revenue laws of Canada.

ARTICLE XXII

This Convention and the accompanying Protocol which shall be considered to be an integral part of the Convention shall be ratified and the instruments of ratification shall be exchanged at Washington as soon as possible.

This Convention and Protocol shall become effective on the first day of January 1941. They shall continue effective for a period of three years from that date and indefinitely after that period, but may be terminated by either of the contracting States at the end of the three-year period or at any time thereafter provided that, except as otherwise specified in the case of Article XI, at least six months prior notice of termination has been given, the termination to become effective on the first day of January following the expiration of the six-month period.

Done in duplicate, at Washington, this fourth day of March, 1942.

SUMNER WELLES [SEAL]

LEIGHTON MCCARTHY [SEAL]

PROTOCOL

At the moment of signing the Convention for the avoidance of double taxation, and the establishment of rules of reciprocal administrative assistance in the case of income taxes, this day concluded between the United States of America and Canada, the undersigned plenipotentiaries have agreed upon the following provisions and definitions:

1. The taxes referred to in this Convention are:

(a) for the United States of America: the Federal income taxes, including surtaxes, and excess-profits taxes.

(b) for Canada:

the Dominion income taxes, including surtaxes, and excess-profits taxes.

2. In the event of appreciable changes in the fiscal laws of either of the contracting States, the Governments of the two contracting States will consult together.

3. As used in this Convention:

(a) the terms "person", "individual", and "corporation", shall have the same meanings, respectively, as they have under the revenue laws of the taxing State or the State furnishing the information, as the case may be;

(b) the term "enterprise" includes every form of undertaking, whether carried on by an individual, partnership, corporation, or any other entity;

(c) the term "enterprise of one of the contracting States" means, as the case may be, "United States enterprise" or "Canadian enterprise";

(d) the term "United States enterprise" means an enterprise carried on in the United States of America by an individual resident in the United States of America, or by a corporation, partnership, or other entity created or organized in or under the laws of the United States of America, or of any of the States or Territories of the United States of America;

(e) the term "Canadian enterprise" is defined in the same manner mutatis mutandis as the term "United States enterprise";

(f) the term "permanent establishment" includes branches, mines, and oil wells, farms, timber lands, plantations, factories, workshops, warehouses, offices, agencies, and other fixed places of business of an enterprise, but does not include a subsidiary corporation.

When an enterprise of one of the contracting States carries on business in the other contracting State through an employee or agent established there, who has general authority to contract for his employer or principal or has a stock of merchandise from which he regularly fills orders which he receives, such enterprise shall be deemed to have a permanent establishment in the latter State.

The fact that an enterprise of one of the contracting States has business dealings in the other contracting State through a commission agent broker or other independent agent or maintains therein an office used solely for the purchase of merchandise shall not be held to mean that such enterprise has a permanent establishment in the latter State.

4. The term "Minister", as used in this Convention, means the Minister of National Revenue of Canada or his duly authorized representative. The term "Commissioner", as used in this Convention, means the Commissioner of Internal Revenue of the United States of America, or his duly authorized representative. The term "competent authority", as used in this Convention, means the Commissioner and the Minister and their duly authorized representatives.

5. The term "United States of America", when used in a geographical sense, includes only the States, the Territories of Alaska and Hawaii, and the District of Columbia. The term "Canada" when used in a geographical sense means the Provinces, the Territories and Sable Island.

6. The term "subsidiary corporation" referred to in Article XI of this Convention means a corporation all of whose shares (less directors' qualifying shares) having full voting rights are beneficially owned by another corporation, provided that ordinarily not more than one-quarter of the gross income of such subsidiary corporation is derived from interest and dividends other than interest and dividends received from its subsidiary corporations.

7. (a) The term "rentals and royalties" referred to in Article II of this Convention

shall include rentals or royalties arising from leasing real or immovable, or personal or moveable property or from any interest in such property, including rentals or royalties for the use of, or for the privilege of using, patents, copyrights, secret processes and formulae, goodwill, trade marks, trade brands, franchises and other like property;

(b) The term "interest", as used in this Convention, shall include income arising from interest-bearing securities, public obligations, mortgages, hypothecs, corporate bonds, loans, deposits and current accounts;

(c) the term "dividends", as used in this Convention, shall include all distributions of the earnings or profits of corporations.

8. The term "pensions" referred to in Article VI of this Convention means periodic payments made in consideration for services rendered or by way of compensation for injuries received.

9. The term "life annuities" referred to in Article VI of this Convention means a stated sum payable periodically at stated times, during life, or during a specified number of years, under an obligation to make the payments in consideration of a gross sum or sums paid by the recipient or under a contributory retirement plan.

10. The terms "engaged in trade or business" and "office or place of business" as used in Article XI of this Convention shall not be deemed to include an office used solely for the purchase of merchandise.

11. The provisions of the present Convention shall not be construed to restrict in any manner any exemption, deduction, credit or other allowance accorded by the laws of one of the contracting States in the determination of the tax imposed by such State.

12. The citizens of one of the contracting States residing within the other contracting State shall not be subjected to the payment of more burdensome taxes than the citizens of such other State.

Done in duplicate, at Washington, this fourth day of March, 1942.

[SEAL] SUMNER WELLES
[SEAL] LEIGHTON MCCARTHY

Mr. GEORGE. Mr. President, I wish to make a brief statement regarding the convention. It is a very important agreement, under which the United States obtains quite substantial concessions and rights. It deals primarily with two classes of taxes—that is to say, the income tax, both normal and surtax, applicable to individuals, and excess-profits taxes applicable to corporations.

The convention itself had consideration by the Foreign Relations Committee. A report has been submitted in writing setting forth the terms of the treaty; but I desire to make a statement with reference to one matter which has arisen in connection with the convention.

The motion-picture industry has filed, not an objection to the treaty because of anything contained therein, but exceptions to it because that industry is not, as it conceives, properly protected. The whole controversy arises by virtue of the following facts:

For the purpose of the convention, the term "industrial and commercial profits" shall not include income in the form of rentals, royalties, and interest. The motion-picture industry in this country does not sell its films to exhibitors in Canada but merely rents them. I submitted to the State Department the exceptions taken to the treaty by the motion-picture industry, and I ask unanimous consent to have them printed in the RECORD.

There being no objection, the exceptions were ordered to be printed in the RECORD, as follows:

MEMORANDUM RELATIVE TO THE APPLICATION TO THE MOTION-PICTURE INDUSTRY OF THE TAXATION CONVENTION WITH CANADA SIGNED MARCH 4, 1942

One of the principal purposes of the convention is the avoidance of double income taxation. This is evident from the communication of the President of the United States to the Senate transmitting the convention for ratification. The first article of the convention, by its terms, is intended to carry out that purpose. This article reads as follows:

"ARTICLE I

"An enterprise of one of the contracting States is not subject to taxation by the other contracting State in respect of its industrial and commercial profits except in respect of such profits allocable in accordance with the articles of this convention to its permanent establishment in the latter State.

"No account shall be taken in determining the tax in one of the contracting States, of the mere purchase of merchandise effected therein by an enterprise of the other State."

Article II of the convention contains an exception which, unless clarified, will affect seriously the members of the motion-picture industry. This article reads as follows:

"ARTICLE II

"For the purposes of this Convention, the term 'industrial and commercial profits' shall not include income in the form of rents and royalties, interest, dividends, management charges, or gains derived from the sale or exchange of capital assets.

"Subject to the provisions of this Convention such items of income shall be taxed separately or together with industrial and commercial profits in accordance with the laws of the contracting States."

The term "rentals and royalties" is defined in paragraph numbered 7 (a) of the protocol accompanying the convention. That paragraph reads as follows:

"7. (a) The term 'rentals and royalties' referred to in Article II of this Convention shall include rentals or royalties arising from leasing real or immovable, or personal or moveable property or from any interest in such property, including rentals or royalties for the use of, or for the privilege of using, patents, copyrights, secret processes and formulae, goodwill, trade marks, trade brands, franchises, and other like property"

It is a peculiarity of the motion picture industry that its industrial and commercial profits, for it hardly may be questioned that the business of producing and distributing motion pictures is an industry and is commerce are derived from "rentals and royalties" as defined in paragraph 7 (a) just quoted. A motion picture is produced at great cost, is copyrighted, and positive prints of the picture are distributed throughout the world under licenses to exhibit. The income from this picture, generally called rentals or license fees, consists in great measure of a return of the cost of the picture together with a profit if the picture is profitable. There are many pictures, of course, which are unprofitable, in which event even the costs may not be recovered through the aggregate rentals or license fees received.

Canada, for a number of years, has been, and it presently is, levying a tax at the source on these rentals. The tax has become progressively more onerous. It has been increased from an effective rate of 2 percent in 1936 to a presently effective rate of 10 percent on these gross rentals, a confiscatory rate resulting, in many instances, in a tax on capital, i. e., the cost of the picture.

The motion-picture industry knows no reason why it is not entitled to the same protection against double taxation which any other American industry will receive under the convention. In principle, there is no difference between the American corporation which derives income from the sale of patented machines in Canada and one which derives income from the sale of a right to exhibit copyrighted motion pictures in Canada. It would hardly be said, in the first instance, that the corporation derived income from royalties for the use of patents within the provisions of paragraph 7 (a) of the protocol. The motion-picture industry's method of doing business, a method which cannot be changed, should not result in the withdrawal from it of the protection from double taxation which the tax convention is designed to accomplish for all American enterprises.

It is important to make the observation that the principal, if not all, American producers and distributors have no offices or places of business in Canada. Canadian subsidiaries of American producers and distributors operating in Canada are subjected to and pay the rates of taxation applicable to all Canadian corporations.

Respectfully submitted,

MOTION PICTURE PRODUCERS &
DISTRIBUTORS OF AMERICA, INC.

WILL H. HAYS.

JACK BRYSON.

APRIL 20, 1942.

Mr. GEORGE. I also ask unanimous consent to have printed in the RECORD at this point—because I think it is the proper place in the RECORD to have it appear—the memorandum submitted by the representatives of the Department of State and the representatives of the Department of the Treasury who participated in the negotiation of the pending tax convention between the United States and Canada. The conclusion reached is that the taxpayers here concerned, that is, the motion-picture industry, are relieved of double taxation so far as reciprocal considerations permit. I ask that the memorandum be printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM CONCERNING THE PENDING TAX CONVENTION BETWEEN THE UNITED STATES AND CANADA

Representatives of the Department of State and representatives of the Treasury Department who participated in the negotiation of the pending tax convention between the United States and Canada have considered the memorandum of April 20, 1940, submitted by the Motion Picture Producers and Distributors of America, Inc., concerning certain points in that convention and submit the following statement in regard to the questions involved:

IN RE PROPOSED TAX CONVENTION BETWEEN THE UNITED STATES AND CANADA

Reference is made to letter dated April 20, 1942, addressed to Senator GEORGE by the Motion Picture Producers and Distributors of America, Inc., and a memorandum attached thereto quoting certain provisions of the proposed tax convention between the United States and Canada in their application to the taxation by Canada of rentals or royalties derived by United States domestic corporations from use or exhibition in Canada of motion-picture films produced by such corporations in the United States but leased or rented to Canadian corporations constituting

subsidiary corporations of the producing corporations. Both the letter and memorandum take exception to the absence from the convention of specific exemption of such rentals or royalties from Canadian income tax.

The treatment of income of this and related character was carefully considered in the course of the negotiations incident to the drafting of the convention now before the Committee on Foreign Relations. It was recognized in the course of such negotiations that the amount of dividends, interest, rents, and rentals or royalties of the character here under consideration, moving from Canada to the United States, was preponderantly in excess of those moving in the opposite direction. This factual situation is well illustrated in the case of motion-picture rentals or royalties here under consideration. The vast majority of motion pictures shown in Canada is produced in the United States. On the other hand, relatively and actually few Canadian pictures are exhibited in the United States. Consequently, to provide outright exemption in the case of this kind of income from Canadian sources would not constitute a reciprocal provision reasonably balanced with respect to revenue considerations as between the two countries. A somewhat similar situation, although less pronounced, is present with respect to dividends and interest. For these reasons it was found essential to adhere to taxation at the source in the case of such income, relief from double taxation as to such income being substantially effected through the medium of stabilization in the rate of tax and through application of the credit for foreign taxes.

As already suggested, the result thus reached, when other factors are taken into consideration, avoids double taxation of the income involved. Under Canadian law a tax, deducted at the source, is laid upon only two-thirds of the amount of such royalties or rentals, the remaining one-third being tax exempt. Section 9 B 2 (e) (ii), Canadian Income War Tax Act. It should also be observed that the Canadian corporation paying such royalties or rentals is permitted to deduct in computing its taxable income the entire amount of such royalties or rentals and that under existing United States revenue laws and the proposed convention the tax paid at the source in Canada by the United States producer is allowed as a credit against its United States income and excess profits tax. Section 131, Internal Revenue Code, Article XV of the convention. In addition to the credits and deductions described, if the Canadian subsidiary corporation pays dividends to its American parent the provisions of United States revenue laws and of the proposed convention require a credit to be given against the United States tax of the parent company for a proportionate part of the Canadian tax paid by the Canadian subsidiary company. The cumulative effect of these provisions is that the domestic corporation is relieved from the lesser of the two taxes.

It will also be observed that under article XI of the convention the rate of income tax, if any, imposed by Canada upon dividends paid by a Canadian subsidiary corporation to its United States domestic parent corporation here involved cannot exceed 5 percent while the rate of such tax in the case of nonsubsidiary dividends is 15 percent.

It is also pointed out that the aggregate tax burden in both the United States and Canada of the American motion-picture corporations here under consideration corresponds, other factors being the same, to the tax burden of such other domestic corporations as may derive business income from Canada without being subject to Canadian tax under the convention. In the case of the former corporations, tax is paid to Canada upon the Canadian portion of their income but credit is allowed for such tax in the de-

termination of the tax payable to the United States; in the case of the latter corporations, the entire tax is paid to the United States because there is no credit for Canadian tax since no such tax has been paid. In the case of the corporations on whose behalf the memorandum of April 20, 1942, was filed, the tax is, in effect, shared with Canada for reasons already set forth.

It is, therefore, submitted that the taxpayers here concerned are relieved of double taxation so far as reciprocal considerations permit.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. TAFT. Would the Senator object to delaying the ratification of the convention until the next meeting of the Senate? The convention seems to me to contain important matters which the Senate itself has not considered. Only a few Members of the Senate are now present, and I myself should like to have an opportunity to read the convention and the report. After all, the report has been in the Senate Committee on Foreign Relations for over 2 months; and it seems to me that we should have a chance to examine it. It cannot be done in a hurry.

Mr. GEORGE. I should like to make a statement, and then, if the Senator insists upon having ratification of the convention passed over, of course, it can take that course, so far as I am concerned.

The senior Senator from Maine [Mr. WHITE], a most industrious member of the Committee on Foreign Relations, withheld his approval of the convention at the meeting of the committee which finally ordered the favorable report on ratification of the treaty. The Senator from Maine went into it with a great deal of care, and yesterday he advised that he would have no objections to raise to ratification of the treaty.

Mr. TAFT. I think that my own conclusion would be the same; but I should like to have the privilege of reading it over and studying its effect in connection with the forthcoming tax bill.

Mr. GEORGE. I should like to submit for the RECORD one other matter. If the Senator from Ohio desires to consider the convention and to examine it, I think he should have the advantage of the further objection which has been received.

Mr. BARKLEY. Mr. President, if the Senator will yield to me, let me say that I hope the Senator from Ohio will conclude his examination by tomorrow, inasmuch as if we finish the Department of Interior appropriation bill we probably shall adjourn until Monday.

Mr. TAFT. I shall be glad to do so by tomorrow.

Mr. GEORGE. I hope the Senator will do so, because I am advised that it is desired to have ratification of the treaty by the 1st of June, for reasons which are known to the Department of State.

Mr. President, a further exception is taken to the convention, again not because of anything contained in it, but because of omissions from the convention. Certain citizens of the United States and certain citizens of Canada are described as commuters. A United

States citizen, living in the United States, goes daily into Canada to work. He receives his compensation or salary from a Canadian corporation. Inasmuch as he is employed more than 180 days of the year in Canada, he describes himself as a commuter. Such persons constitute a rather large class. One such citizen points out, in a letter which was addressed to the chairman of the Committee on Foreign Relations, that his case is not covered by the convention; and upon careful examination of the convention it must frankly be admitted that reciprocal rights which he has some reason to insist upon do not seem to be fully covered.

I have conferred with certain representatives of the State Department, and have made the suggestion that this particular situation might well be cared for by an interchange of notes between the Canadian Government and our Government. I have reason to believe that that will be done.

I ask unanimous consent to have inserted in the RECORD at this point the letter to which I have referred.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NIAGARA FALLS, N. Y., April 13, 1942.
CHAIRMAN OF THE COMMITTEE ON FOREIGN RELATIONS,

United States Senate, Washington, D. C.

DEAR SIR: I am a native-born United States citizen living in the United States, but have been commuting daily to Niagara Falls, Ontario, for the past 19 years, where I am employed as a chemical engineer by the Canadian branch of the American Cyanamid Co. During this time I have become well acquainted with the cyanamide process of nitrogen fixation—a process not used by any other firm in the Western Hemisphere. Cyanamid is now an important source of nitrogen for munitions, at least one plant being wholly dependent upon it. If I were forced to quit my present employment, my 19 years' experience would be of little benefit to me in any other line.

This year, when making out my Canadian income-tax report, I found that, although I am a married man with two minor-age children, I was classed in Canada as a single man, exemption \$750, but was allowed exemption of \$400 for each of the children. In other words, I was a single man with two dependents. As my Canadian income tax, based on a \$1,500 exemption, plus the defense tax, would have already been double what my United States would be, the added tax on the \$750 added \$150 to my Canadian tax bill. Salaries and wages in Niagara Falls, Ontario, are about one-third lower than on this side. In order to get along I must either move to Canada or start all over again in the United States, which is not so easy when one is in the middle forties. The management of the company are anxious for me to remain with them, but they cannot raise my salary to compensate for the unequal tax because salaries and wages have been frozen in Canada.

I am, of course, not the only one faced with this problem. There are many other United States residents working in Niagara Falls, Ontario, the same as I. Then there are many more in the Buffalo and Detroit districts.

Prior to this year United States residents working in Canada were given the same treatment as Canadian residents in reference to income-tax payments, and the same held true for Canadian residents working in the United States.

Recently Buffalo and Toronto newspapers gave considerable space to the new United

States-Canadian Taxation Convention, which was to restore the former method of taxation between the two countries and also to modify certain conflicting principles of taxation. I have obtained a copy of the convention from the Treaty Division, Department of State, and was sorry to find that no mention was made as to the restoration of the former method of treatment of so-called commuters; that is, for the purposes of taxation, the same exemption and tax rate for resident workers as is given for nonresident workers, or rather for nonresident workers as for resident workers.

Mr. Barnes, of the Treaty Division, informs me that the United States-Canadian Taxation Convention is still under consideration in your committee. I am therefore taking the liberty of writing you to state our problem and to ask whether you may be able to see fit to help us while the convention is still under consideration in your committee and before it becomes final through your recommendation to the Senate. Although there are probably less than a thousand of us so-called international daily commuters, yet the added tax and/or changing of positions will cause us much inconvenience, as well as the defense plants in which we are working. I am sure the spirit of the convention is for fairness of treatment and that our minority group has been overlooked. I have heard generally favorable comment on the convention, as far as it goes, on both sides of the border, and by restoring the method of taxation for resident and nonresident workers on an equal basis I believe that the spirit of fairness will be complete.

Thanking you, I am,
Sincerely,

CARLOS W. SMITH.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. CONNALLY. Let me say to the Senator from Georgia that he has just covered a point to which I was about to address myself. The view of the committee with reference to the particular matter to which the Senator just referred was that it could be handled by an exchange of diplomatic notes or probably by mutual administrative action.

Mr. GEORGE. The chairman of the committee is quite correct; and I presume that will be done.

In conclusion, all I desire to say with regard to the convention is that none of the objections goes to anything contained in the convention, but all are based on omissions of certain matters which the two particular classes of taxpayers referred to feel might have been covered by the convention.

Mr. President, I think it very proper that the matter go over until the Senator from Ohio has an opportunity to read the convention.

Mr. TAFT. Until tomorrow will be sufficient.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio [Mr. TAFT] that further action on Executive B, Seventy-seventh Congress, second session, be deferred until tomorrow? The Chair hears none, and it is so ordered.

That concludes the Executive Calendar.

MOBILIZATION OF SMALL BUSINESS FOR WAR PRODUCTION—PRINTING OF HOUSE AMENDMENT

Mr. BARKLEY. Mr. President, as in legislative session, I ask that Senate bill

2250, the so-called small-business bill, a bill to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes, be printed, showing the House amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock p. m.) the Senate took a recess until tomorrow, Thursday, May 28, 1942, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate May 27 (legislative day of May 26), 1942:

DIPLOMATIC AND FOREIGN SERVICE

The following-named persons, now Foreign Service officers of class 4 and secretaries in the Diplomatic Service, to be also consuls general of the United States of America:

Wainwright Abbott, of Pennsylvania.
Karl deG. MacVitty, of Tennessee.

COLLECTOR OF INTERNAL REVENUE

Lynn R. Brodrick, of Marysville, Kans., to be collector of internal revenue for the district of Kansas, in place of William H. Burke, resigned.

COLLECTORS OF CUSTOMS

Harry P. Hornby, of Uvalde, Tex., to be collector of customs for customs collection district No. 23, with headquarters at Laredo, Tex. (reappointment).

Joseph McGrath, of Boston, Mass., to be collector of customs for customs collection district No. 4, with headquarters at Boston, Mass. (reappointment).

ADMINISTRATOR OF CIVIL AERONAUTICS

Charles I. Stanton, of Florida, to be Administrator of Civil Aeronautics, vice Donald H. Connolly, resigned.

APPOINTMENT IN THE NAVY, FOR TEMPORARY SERVICE

Capt. Oscar C. Badger to be a rear admiral in the Navy, for temporary service, to rank from the 24th day of April 1942.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 27 (legislative day of May 26), 1942:

PROMOTIONS IN THE NAVY FOR TEMPORARY SERVICE

Adolphus Andrews to be a vice admiral, for temporary service, to rank from May 1, 1942, and to continue during his assignment as commander, eastern sea frontier.

John W. Greenslade to be a vice admiral, for temporary service, to rank from May 1, 1942, and to continue during his assignment as commander, western sea frontier.

Robert H. English to be a rear admiral, for temporary service, to rank from May 8, 1942.

Donald B. Beary to be a rear admiral, for temporary service, to rank from December 1, 1941.

APPOINTMENT IN THE NAVY

Walter B. Woodson to be Judge Advocate General of the Navy, with the rank of rear admiral, for a term of 4 years from the 20th day of June 1942.

PROMOTIONS IN THE NAVY FOR TEMPORARY SERVICE

TO BE REAR ADMIRALS

Charles A. Lockwood, Jr.
Marc A. Mitscher

REGISTERS OF LAND OFFICES

Lloyd T. Morgan to be register of the land office at Pueblo, Colo.

Arthur J. Ewing to be register of the land office at Coeur d'Alene, Idaho.

Paul A. Roach to be register of the land office at Las Cruces, N. Mex.

Clarence W. Ogle to be register of the land office at Lakeview, Oreg.

POSTMASTERS

CALIFORNIA

Eileen B. Cardiff, Altadena.
Thomas V. Holmes, Duarte.
Chester W. Seely, Hamilton Field.
J. Edward Huston, Huntington Beach.
Helen P. Haines, Jacumba.
Bertha Hilbert, La Habra.
Rollie A. Petty, Mountain View.
Ryland M. Gorham, Palm Springs.
Arthur E. Flint, Penryn.
Mabel B. Mosgrove, Perris.
Walter A. Hornbeck, Red Bluff.
John H. Fairweather, Reedley.
Leslie J. Thomas, Richmond.
Charles D. Golvin, Riverbank.
John H. Kelley, San Mateo.
John M. Ellason, San Quentin.
Charles D. South, Santa Clara.
Robert H. Frost, Sausalito.
M. Frances Shuler, South Laguna.
Herbert P. Pritschke, Wasco.
Frank A. Lauer, Westwood.

IDAHO

James W. Dyar, Elk City.
Claude L. Ballard, Fairfield.
Frederick J. Rodgers, Midvale.
Edith R. Morgan, Paul.
Matt H. Moshinsky, St. Maries.

ILLINOIS

William R. Fisher, Chapin.
Clarence B. Muchmore, Charleston.
James M. Allen, Decatur.
Rufus A. Carrell, Greenup.
Deans J. McAlister, Greenville.
John F. Foster, Lovington.
John H. Priepot, Mendon.
Winifred G. Whitam, Ontarioville.
John J. Hart, Ottawa.
Hazel E. Strobel, Ransom.
Fred E. Battershell, Roodhouse.
John R. Slater, Savanna.
Fred N. Mayer, Virden.

IOWA

Ralph N. Shott, Birmingham.
Helen B. Rutledge, Blairsburg.
Bernard G. Remmes, Charter Oak.
Grace V. Fellers, Fremont.
Lillian E. Wicks, Minburn.
Alvin J. Tisdale, Union.
Logan B. Urice, Vinton.
Myrtle C. Stockmann, West Burlington.
Viola L. Eaton, Woden.

KENTUCKY

Clyde V. Ross, Hardyville.
Robert L. Case, Mount Olivet.
Virginia B. Pittman, Perryville.

LOUISIANA

Milton E. Kidd, Choudrant.
James Bland Fain, Jonesboro.
Robert M. Duffy, Montgomery.
Henry F. Couvillon, Moreauville.

MAINE

George I. McIntosh, Lisbon Falls.
Helen C. Donahue, Portland.
Eddie J. Roderick, Rumford.
Allie D. Richards, Strong.

MARYLAND

Patrick E. Conroy, Barton.
John Hershberger, Boonsboro.
Charles S. Moxley, Brentwood.
Margaret M. Williams, Lutherville.
Helena R. Guyther, Mechanicsville.

NEW YORK

Burdette G. Dewell, Catskill.
Albert E. Olson, East Moriches.

Laurence D. Brown, Eastview.
 Fred J. Burns, Jr., Glenwood Landing.
 Beth I. Henry, Newfield.
 Francis X. Desmond, Niagara University.
 Hugh M. Bulger, Norwich.
 Clarence T. Cahill, Palisades.
 Charles A. Pickard, Wantagh.
 John H. Joyner, White Sulphur Springs.

OHIO

Michael J. Callaghan, Bellevue.
 Edward V. Hartmann, Holland.
 Carson D. Faber, Jeromesville.
 Olin B. Stahl, Jewett.
 Harry D. Arnold, Leetonia.
 Fred W. Justus, Massillon.
 Paul M. Keyser, Shadyside.
 Arnold M. Speir, State Soldiers Home.
 William E. Passmore, Washington Court-house.

Frank A. Hawkins, West Farmington.

OKLAHOMA

James T. Norton, Nowata.
 Guy E. McClain, Perkins.

PENNSYLVANIA

Maurice F. MacDonald, Ridgway.

SOUTH CAROLINA

John W. Willis, Lynchburg.

VERMONT

Mildred A. Dailey, Hartford.
 Murray K. Paris, Lyndon.
 Catherine E. Sheehan, Richmond.
 Adelbert G. Dudley, Shoreham.
 David A. Aubin, Vergennes.

WISCONSIN

Charles N. Cody, Antigo.
 Joseph O. Goff, Bristol.
 Ted Cole, Cashton.
 Frank N. Scherer, Kohler.
 Hillary T. Karis, Norwalk.
 Clifford T. Peterson, Poplar.
 Charles F. Heald, Sheboygan Falls.
 Howard F. Vande Hei, West De Pere.

APPOINTMENT IN THE REGULAR ARMY

Levin Hicks Campbell, Jr., to be Chief of Ordnance for a period of 4 years from date of acceptance, with the rank of major general.

TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

TO BE MAJOR GENERALS

Albert Eger Brown
 Henry Lawrence Cullen Jones
 William Henry Harrison Morris, Jr.
 Durward Saunders Wilson
 William Middleton Grimes
 Rapp Brush
 Joseph Dorst Patch
 John Emmitt Sloan
 William Hanson Gill
 Harry Lewis Twaddle
 Frank Cadle Mahin
 Homer Ray Oldfield
 Joseph Lawton Collins
 Harold Roe Bull
 Robert Olds

TO BE BRIGADIER GENERALS

Thoburn Kaye Brown
 Lucian King Truscott, Jr.
 Clift Andrus
 Paul Everton Peabody
 Gilbert Richard Cook
 Hayes Adlai Kroner
 Leland Stanford Hobbs
 Stonewall Jackson
 Lloyd Davidson Brown
 Thomas Dewees Finley
 Alfred Jefferson Lyon
 Robert Lily Spragins
 Horace Logan McBride
 Barnwell Rhett Legge
 Roland Paget Shugg
 James Francis Brittingham
 Ward Hale Maris
 Guy Ichabod Rowe
 Roderick Random Allen
 John Matthew Devine

George Wesley Griner, Jr.
 Arthur McKinley Harper
 Warren Thomas Hannum
 John Thomas Kennedy
 Royden Eugene Beebe
 Louis Albert Kunzig
 James Arthur Pickering
 Milton Baldrige Halsey
 James Washington Barnett
 Randolph Tucker Pendleton
 Idwal Hubert Edwards
 Leland Wilbur Miller
 Thomas James Hanley, Jr.
 Thomas Henry Green
 Royal Reynolds
 Omar Heinrich Quade
 Charles Egbert Branshaw
 Thomas Bernard Larkin
 Leonard Russell Boyd
 Donald Armstrong
 Gordon Marshall Wells
 John Kay Christmas
 Roswell Eric Hardy
 Edward Arthur Evans
 Kenneth Buchanan
 Albert Edward Colburn

APPOINTMENT IN THE REGULAR ARMY

TO BE SECOND LIEUTENANT, CAVALRY

William Sayers McCauley.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO ADJUTANT GENERAL'S DEPARTMENT

Capt. Kenneth Earl Thiebaud.

TO FINANCE DEPARTMENT

First Lt. Oscar Rawles Bowyer.

TO ORDNANCE DEPARTMENT

First Lt. Severin Richard Beyma.
 First Lt. John Rigden Van Dickson.

TO AIR CORPS

Capt. Elwin Herklas Eddy.
 First Lt. Benjamin Oliver Davis, Jr.
 First Lt. Francis Carlton Truesdale.
 Second Lt. Jack Curtright McClure, Jr.
 Second Lt. Marshall Warren Carney.
 Second Lt. Curtis Francis Betts.
 Second Lt. Samuel Wilson Parks.
 Second Lt. Paul Allard Kirk.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Lt. Col. Henry William Harms, Cavalry.
 Lt. Col. John Earl Lewis, Field Artillery.
 Lt. Col. Walton Harris Walker, Infantry.
 Lt. Col. Millard Fillmore Harmon, Air Corps.
 Lt. Col. John Duncan Kelly, Cavalry.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 27, 1942

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

With humble hearts, our Heavenly Father, we make our desires known to Thee, supplicating Thy blessing. Grant that we may wear the vestment of truth and be filled with a deep and saving self-respect and with a tender appreciation of the feelings of others. The exulting spirit and peace into which it flows is as an ever-widening river in an arid land. We praise Thee that there is One whose light is as the sun, whose pity is never too late, and who lingers in sweet gentleness for all men.

We pray that we may enter into complete harmony with everything that lives. Thou dost speak to men in the glory of the heavens and with all the manifold

voices of stern Nature, alive and verdant. To the spring song of the woods and fields may there be a response in the gladness of our souls. Take of Thine own spirit and lay it upon us, prevailing through the east window of our souls, revealing Thy purpose in this day of opportunity. Purify our vision that an inner joy and peace may shine forth as glowing sacraments of Thy guiding presence. In the name of our Lord and Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include a resolution passed at West Michigan Tourist and Resort Association meeting, held at Muskegon, Mich., Thursday, May 21, 1942, pertaining to gas rationing.

The SPEAKER. Is there objection?

There was no objection.

HON. MANUEL PRADO

The SPEAKER laid before the House the following communication, which was read by the Clerk:

DETROIT, MICH.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES,

Washington, D. C.:

Please let me offer you and all the Members of the House my sincerest thanks for your warm and gracious reception with which I was honored yesterday.

MANUEL PRADO.

EXTENSION OF REMARKS

Mr. WICKERSHAM. Mr. Speaker, on behalf of the Resident Commissioner from Puerto Rico, Mr. PAGÁN, I ask unanimous consent that he may be given permission to extend his remarks in the Record and include two newspaper articles on Puerto Rico.

The SPEAKER. Is there objection?

There was no objection.

GASOLINE RATIONING IN THE DISTRICT OF COLUMBIA

Mr. MAHON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAHON. Mr. Speaker, the Nation's Capital should set the example in making gasoline rationing succeed. Indeed, it would be most unfortunate for the country if the gasoline-rationing program should break down in Washington, the seat of the Government. There is no reason why it should break down, but it is breaking down and it will collapse if we do not make a more serious effort to cooperate.

The public transportation system is definitely inadequate and people with B cards and X cards have got to carry others with them as they go to and from work or the program will collapse. They are not doing this on anything like a big scale. They are going to have to do it, and I believe they will want to do it after they have practiced it awhile. The time will come, and it ought to come, when a man will feel like a traitor to his country if he rides alone in his car down the ave-